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PRESS RELEASE

ERAMET Group: Offer for Mineral Deposits Limited (MDL) shares increased to A\$1.75 as last and final¹

- Increased Offer price at a 59% premium to the 1-month volume weighted average price²
- The Offer will be declared unconditional if ERAMET reaches 50.01%³
- Accelerated 7 business day payment of the cash consideration
- Offer period extended to close on 13 July 2018 (unless extended or withdrawn)

Following its press releases dated 27 April 2018 and 14 May 2018, ERAMET announces today an increase to its all-cash offer (**Offer**) for all of the issued shares in MDL that it does not already own to A\$1.75 per MDL share (**Improved Offer**).

The Offer is subject to limited conditions, including a 50.01% minimum acceptance condition. ERAMET intends to declare the Offer free from all conditions if it acquires a relevant interest in at least 50.01% of all MDL shares (on a fully diluted basis)⁴.

The Improved Offer of A\$1.75 per MDL share is last and final and will not be increased in the absence of any alternative or competing proposal in relation to MDL or TiZir⁵.

The Improved Offer is highly compelling for MDL shareholders

The Improved Offer provides MDL shareholders with a number of significant benefits.

- The increased Offer price of A\$1.75 delivers up-front value at a substantial premium of:
 - 51% to A\$1.16, the closing price of MDL shares on the last trading day prior to the announcement of the Offer on 27 April 2018 (**Announcement Date**);
 - 59% to A\$1.10, the one-month volume weighted average price of MDL shares up to and including the last trading day prior to the Announcement Date; and
 - 317% to A\$0.42, the issue price per share under MDL's capital raising in March 2017.

¹ The Offer price will not be increased in the absence of any alternative or competing proposal.

² Of MDL shares up to and including 26 April 2018, being the last trading day prior to the announcement of the Offer.

³ ERAMET reserves the right to waive any or all of the conditions to the Offer at any time in all other circumstances.

⁴ This is subject to there being no breaches of any conditions to the Offer, and no events, matters or circumstances occurring that would, or would be reasonably likely to, prevent the fulfilment of any conditions to the Offer, on or prior to ERAMET acquiring a relevant interest in at least 50.01% of all MDL shares (on a fully diluted basis).

⁵ The joint venture entity operating an integrated mineral sands (titanium dioxide and zircon) business in Senegal and Norway and in which ERAMET and MDL each holds a 50% interest.

- The Offer provides the certainty of cash compared to the risks of remaining an MDL shareholder, including TiZir's operational risks and high financial leverage, MDL's lack of diversification in its asset portfolio and limited trading liquidity, and the overall volatility in the mineral sands industry.
- ERAMET's Offer is the only offer available given no competing proposals have emerged.
- MDL's share price may fall significantly if ERAMET's Offer lapses.

Accelerated payment terms

In addition, if the Offer becomes unconditional, ERAMET will pay the cash consideration due to MDL shareholders that validly accept the Offer within 7 business days after the later of the date of the Offer becoming unconditional and the shareholder's valid acceptance of the Offer being received.

Offer period extension

The Offer period has been extended by three weeks and will now close at 7:00pm (Sydney time) on 13 July 2018 (unless extended or withdrawn).

Increased cash consideration is fully funded

As a result of the Improved Offer, the maximum cash payable under the Offer has increased.

If all the MDL performance rights vest and are exercised into MDL shares during the Offer period, the maximum number of MDL shares that could be acquired by ERAMET under the Offer is 184,200,215⁶ MDL shares. Therefore, the maximum cash amount that ERAMET would be required to pay to settle acceptances under the Improved Offer would be approximately A\$322 million (**Increased Maximum Offer Amount**).

ERAMET will fund the Increased Maximum Offer Amount and any associated costs from ERAMET's existing cash reserves. As at the date of this announcement, ERAMET's existing cash reserves are well in excess of the Increased Maximum Offer Amount⁷.

Full details relating to the Offer (including the terms and conditions of the Offer) are set out in the Bidder's Statement dated 14 May 2018 as supplemented by the second, third and fourth Supplementary Bidder's Statement, which are available on the ERAMET website at www.eramet.com/en.

⁶ This number excludes the 15,826,332 MDL Shares held by ERAMET and is based on MDL having 196,985,649 shares and 3,040,898 unvested performance rights on issue as at the date of this document (see MDL's Appendix 3B dated 25 May 2018).

⁷ For further details regarding ERAMET's cash reserves, see section 5.2 of ERAMET's Bidder's Statement dated 14 May 2018.

ABOUT ERAMET

ERAMET is one of the world's leading producers of:

- manganese and nickel, used to improve the properties of steels, mineralised sands (titanium dioxide and zircon),
- parts and semi-finished products in alloys and high-performance special steels used in industries such as aerospace, power generation and tooling.

ERAMET is also developing activities with strong growth potential, such as lithium extraction and recycling.

The Group employs around 12,600 people in 20 countries.

LEI code: 549300LUH78PG2MP6N64

For more information: www.eramet.com

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iOS: <https://itunes.apple.com/fr/app/eramet-finance/id1115212055?mt=8>

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Click on the link below to view ERAMET's 2017 annual report:

<http://www.eramet-looking-ahead.com/>

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