



ASX Release

25 October 2005

ASX Code: MDL

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SABODALA GOLD PROJECT

- Exploration tenements acquired along strike from Sabodala
- Third drill rig has arrived and commenced a reverse circulation and diamond drilling programme at the Niakafiri prospect 2.5 kilometres south of Sabodala

New Exploration Tenement Acquisition

MDL's wholly-owned Senegalese subsidiary, Sabodala Mining Company SARL ("SMC"), has established a major exploration ground position in the Sabodala belt approaching 1,000 square kilometres in area (see attached map).

Five kilometres north of the boundary of the Sabodala Exploitation Permit, SMC has acquired the **Bransan Exploration Permit** of 357 square kilometres.

The Bransan joint venture between SMC (70%) and Senegalese interests (30%) has an exploration commitment of US\$1 million over three years. MDL will fund its partners through to a decision to develop. Following a decision to proceed to project development, any party which decides not to contribute can be diluted to a 10% free carried interest.

Further north of Sabodala, SMC has finalised a joint venture on two properties, **Massa Kounda and Dembala Berola**, with another group of Senegalese interests. These tenements are 248 and 325 square kilometres in area respectively.

In each of these two tenements, SMC is earning an 80% interest for expenditure of US\$500,000 on each over a period which may extend up to six years. Should the joint venture partner elect not to contribute and dilute its 20% interest by 10%, its interest will revert to a 2% royalty and SMC will hold the tenement(s) 100%.

All three properties were encompassed within SMC's recently completed 3,325 square kilometre high-resolution airborne magnetic and radiometric survey.

All three properties contain greenstone sequences and structures typical of the west African Birimian geological belt. They are all readily accessible by vehicle from the company's exploration base at Sabodala.



Drilling Commences at Niakafiri

A third drill rig is now on site at Sabodala and has commenced drilling at the Niakafiri prospect, some 2.5 kilometres to the south of the Sabodala deposit. The prospect has been identified by historical work and by the recently completed airborne magnetic survey. The first phase of drilling on this prospect is to a vertical depth of 130 metres on a 40 metre grid pattern and the current programme will consist of 4,590 metres comprising 3,600 metres of reverse circulation and 990 metres of diamond drilling.

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