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### SABODALA GOLD PROJECT

#### Further High Grade Results at Sabodala North

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At the Sabodala gold deposit, extension and infill drilling to the north of section 20450N to 20770N – a distance of 320 metres – has continued to return gold grade intersections (see Attachment 1).

The main lode structure continues to plunge deeper in a northwards direction. The 40 metre square drilling pattern to identify the direction and extent of this down plunge zone was postponed in mineralisation at line 20770N (see Attachment 2).

The new drill plan will now concentrate on the identification of mineralisation within the initial open pit shell to a depth of approximately 150 metres beneath surface in both the north and south of the main Sabodala gold deposit.

#### Northern Zone

This main lode, which is also associated with a flat-lying link structure, has reached more than 300 metres below surface. As well as the main lode zone, significant mineralisation is also recognised in the link structure, including:

SBRC263D	9.5m	@	3.6g/t Au from 180.8m
SBRC276	13m	@	2.5g/t Au from 186m
SBRC332D	23.5m	@	2.3g/t Au from 189.5m

Other mineralised zones include the basal mylonite shear and the footwall position. Intersections from the mylonite and footwall zones include:

SBRC294D	8.2m	@	8.0g/t Au from 230m
SBRC332D	4m	@	5.2g/t Au from 243m
SBRC333D	9m	@	3.2g/t Au from 179m
and	5m	@	6.5g/t Au from 243m
SBRC336D	2.9m	@	6.1g/t Au from 181m
SBRC313D	14m	@	6.8g/t Au from 351m
SBRC329D	7.8m	@	6.8g/t Au from 172.2m
and	24m	@	3.9g/t Au from 183m

Additional drill results for the northern extension area are awaited.

Shallow mineralisation intersected in SBRC301D; 15m @ 2.8g/t Au from 30m, is significant in terms of the initial open pit mine design. Further results are pending.



## **Southern Zone**

Drilling to a maximum vertical depth of 150 metres is ongoing to the south of the main Sabodala deposit towards the Sutuba prospect. The southern programme consists of four 40 metre lines over the first 160 metres then three lines 80 metres apart. Assay results for the southern region are pending.

Mineralisation has been identified in the region of the Sutuba area some 400 metres south of Sabodala. At Sutuba, significant near-surface artisanal workings over a 200 metre by 300 metre square area have been extensively worked to depths of up to 10 metres. At Sutuba, and 100 metres along strike from the artisanal workings, previous exploration work by BRGM included three short drill holes which all intersected gold mineralisation. A best intersection of 3.5g/t Au over 7.65 metres was achieved. In the same area, an exploration trench is reported to assay 2.5g/t Au over an interval of 50 metres. Features include a strongly silicified, brecciated and locally pyrite rich "mylonite" ridge that is apparently terminated by a west-north-west trending structure that crosses the prospect. The artisanal workers demonstrate that gold mineralisation is sourced from quartz-vein saprolite beneath about two metres of alluvium.

## **Regional**

Regional rotary air blast (RAB) geochemical drilling commenced on 31 August. This drilling programme will test for new mineralisation along strike of the Sabodala deposit. Initial drilling is focused north of line 20770N with lines 160 metres apart and holes spaced every 20 metres across each line (see Attachment 3). Two lines have been completed. At this early stage, no results have been received.

*The information in this report that relates to Exploration Results is based on information compiled by Mineral Deposit Limited's Chief Geologist, Chris Young BSc, who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Young has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken. He is qualified as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Young has consented to the inclusion of this information in the form and context in which it appears in this report.*

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## ATTACHMENT 1

Hole ID	Northing	Easting	From	To	Width	Grade	
SBRC261D	20570	9930	239	264	25	8.0	
			and	272	278	6	3.7
SBRC262D	20570	9970	183	196	13	5.0	
			and	317	322	5	8.2
SBRC263D	20570	10010	180.8	190.3	9.5	3.6	
SBRC276	20610	10050	186	199	13	2.5	
SBRC291D	20650	9931	249	255	6	5.4	
			and	271	278	7	6.3
SBRC294D	20650	10050	230	238.2	8.2	8.0	
SBRC299	20690	10010	104	109	5	2.1	
SBRC301D	20690	10090	30	45	15	2.8	
SBRC313D	20770	10090	351	365	14	6.8	
SBRC329D	20571	10170	172.2	180	7.8	6.8	
			and	183	207	24	3.9
SBRC332D	20611	10131	189.5	213	23.5	2.3	
			and	243	247	4	5.2
SBRC333D	20610	10170	179	188	9	3.2	
			and	194	201	7	2.5
			and	234	239	5	6.5
SBRC336D	20650	10130	181	183.9	2.9	6.1	
			and	189.3	196	6.7	2.7
SBRC337D	20650	10170	275	283	8	2.0	



