

ASX RELEASE

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Sabodala Gold Project

Niakafiri Satellite Gold Mineral Resource of 317,000 Ounces

The Sabodala Gold Project is located in southeastern Senegal (west Africa), some 750 kilometres from the capital Dakar. At the satellite gold deposit of Niakafiri, a preliminary gold mineral resource of 317,000 ounces, at a 1g/t cut-off, has been estimated. Niakafiri is 2.5 kilometres south of the main Sabodala orebody (preliminary gold resource of 1.26 million ounces previously announced) (Attachment 1). The Niakafiri deposit remains substantially open in most directions and considerable further drilling will be required to determine the ultimate size of this deposit. The mineralisation has a significant oxide component.

The Phase 1 drilling programme at the Niakafiri deposit is now complete. The total programme of 46 holes for 5,055.6 metres comprised 3,699 metres of reverse circulation and 1,356.6 metres of diamond drilling. The area drilled covers 400 metres by 160 metres with holes on 40 metre spacings. **Niakafiri was identified as separately prospective to Sabodala itself from work on historical data and from interpretation of the recently completed regional airborne magnetic survey.**

Based on available data, an independent Mineral Resource estimate was completed by RSG Global of Perth as shown in Table 1.

The preliminary Mineral Resource estimate is 5.64 million tonnes @ 1.7g/t gold for 317,000 ounces at a 1.0g/t gold cut-off comprising 1.86 million tonnes at 1.7g/t gold for 104,000 ounces of Indicated Mineral Resource and 3.78 million tonnes at 1.7g/t gold for 213,000 ounces of Inferred Mineral Resource.

The RSG Global resource estimate includes mineralisation within a north-south trending envelope of some 400 metres length by 50 to 100 metres wide and to a depth of 170 metres. This wide zone of mineralisation remains open to the north, south and at depth.

**Table 1 – Niakafiri Deposit
Preliminary Grade Tonnage Report; Multiple Indicator Kriging
5mE x 10mN x 5mRL Selective Mining Unit**

Lower Cut-off Grade (g/t Au)	Tonnes (M)	Ave Grade (g/t Au)	Ounces (000)
Indicated			
0.5	3.035	1.4	132
0.8	2.362	1.6	118
1.0	1.860	1.7	104
1.2	1.426	1.9	88
Inferred			
0.5	7.624	1.2	302
0.8	4.992	1.5	248
1.0	3.780	1.7	213
1.2	2.946	1.9	184
Total Resource			
0.5	10.659	1.3	434
0.8	7.354	1.5	366
1.0	5.640	1.7	317
1.2	4.372	1.9	272

Niakafiri is centrally situated within the Sabodala Shear Zone. This shear zone is approximately two kilometres wide and is identified by a subtle magnetic trend that extends for some 4.3 kilometres north-south through the Sabodala Mining Company Exploitation Permit area. The underlying rock types comprise structurally modified and sheared mafic and ultramafic volcanics and, in both the oxide and primary zone, fuchsite alteration is common. **The oxide zone at Niakafiri is much deeper than at the Sabodala deposit, ranging from 57 to 60 metres in depth.** In the primary zone, silica, albite, sericite, pyrite alteration associated with a quartz stock work breccia texture is very similar to the main breccia ore style at Sabodala to the north.

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.

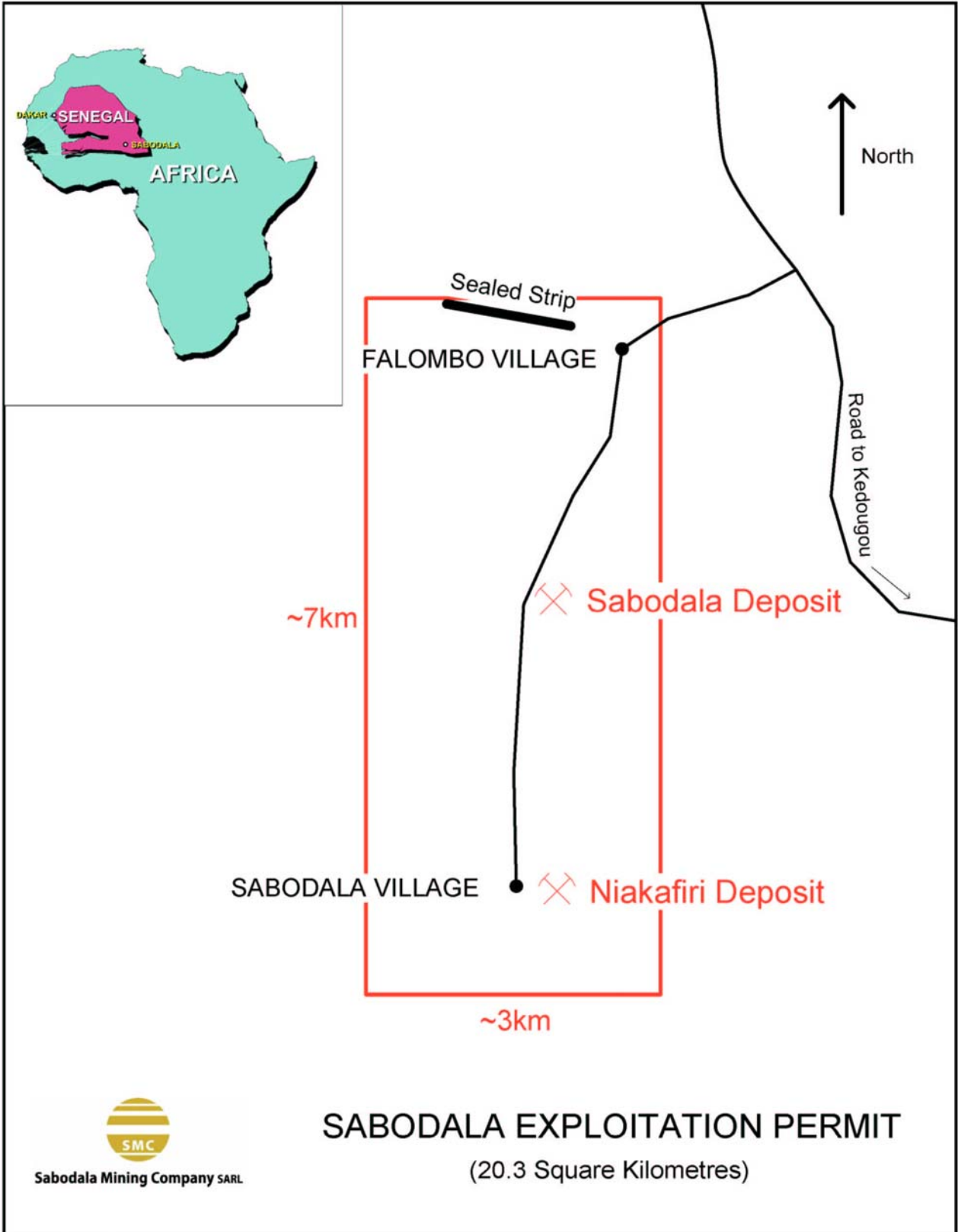
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SABODALA EXPLOITATION PERMIT
(20.3 Square Kilometres)