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SABODALA GOLD PROJECT
NEW EASTERLY FLAT ORE ZONE AT SABODALA

Sabodala Gold Deposit

Further infill and step-out drilling at MDL's Sabodala gold deposit in southeast Senegal, west Africa has identified additional high grade mineralisation (see Attachment 1). The more significant intersections include:

- **19.5 metres grading 3.5g/t from 125 metres;**
- **36.6 metres grading 5.9g/t from 120.5 metres;**
- **14 metres grading 7.0g/t from 231 metres;**
- **13 metres grading 4.2g/t from 3 metres;**
- **19 metres grading 5.7g/t from 120 metres; and**
- **32 metres grading 5.1g/t from 165 metres (all downhole).**

MDL now recognises that the gold mineralisation also extends in a more easterly direction than believed, as exemplified by SBRC122D which intersected 36.6m @ 5.9g/t gold from 120.5m in an encouraging flat-lying structure. This hole is the furthest easterly step- out hole, 50 metres east of the company's area of infill drilling and only 100 metres vertical from the natural surface. Further follow-up drilling is planned.

Niakafiri Gold Deposit

The Niakafiri deposit is located 2.5 kilometres south of the planned Sabodala open pit.

The gold results from the 8,007 metre drilling programme completed prior to the end of 2006 demonstrate ore extensions both north and south and in a westerly direction. MDL plans to complete a further 3,700 metres of reverse circulation (RC) drilling during the March 2007 quarter (see Attachment 2). The most significant gold intersections include:

- **31 metres grading 3.0g/t from 101 metres;**
- **18 metres grading 2.5g/t from 153 metres;**
- **10 metres grading 3.4g/t from 113 metres; and**
- **9.3 metres grading 4.2g/t from 109.7 metres (all downhole).**

Regional Drilling

The current drilling work programme for the March quarter includes drill extension of existing holes, infill drilling and testing of new targets. The programme consists of 128 holes for 15,931 metres including 11,080 metres of RC and 4,851 of diamond drilling (DD).

It is considered possible that the Sabodala style of mineralisation can repeat at depth within the mineralised parts of this very large Shear Zone. Two deep DD holes beneath the known Sabodala system and the diamond tail extension of SBRC307 to test the depth continuation of the Sabodala mineralisation are planned. The two new DD holes will be drilled to 800 and 1,200 metres downhole respectively, and hole SBRC307 will be extended a further 284 metres (all holes drilled at 60 degrees).

Reconnaissance rotary air blast drilling and soil geochemistry over the past six months has identified a total of 18 targets within the Sabodala permit of 20.3 square kilometres. Initial drill testing will focus on Dinkokhono, Faloumbo and Sambaya Hill (see Attachment 3).

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

Mineralisation Intersections from the Sabodala Phase 2 Drilling Programme as at 30 January 2006.
All holes azimuth grid east and @ -60 degrees inclination
(except for SBRC471 which is at –45 degrees inclination)

Hole ID	Easting	Northing		From (m)	To (m)	Width (m)	Grade (g/t Au)
SBRC113D	10270	20410		124.5	144	19.5	3.5
SBRC122D	10230	20450		120.5	157	36.6	5.9
SBRC274D	9970	20610		206	223	8	2.9
SBRC276D	10050	20610		186.1	199	13	2.5
SBRC291D	9931	20650		165.7	170	4.3	1.7
			and	260	266	6	1.4
			and	317	321	4	1.7
SBRC292D	9970	20650		206	223	17	5.2
			and	231	245	14	7.0
			and	253	259	6	1.1
SBRC293D	10010	20650		229	244.5	15.5	3.9
SBRC296D	9890	20690		302.6	306.1	3.6	6.2
			and	322	331	9	3.1
SBRC305D	10090	20730		250	255	5	3.2
			and	269.6	273	3.4	3.7
			and	285	301	16	3.7
SBRC327D	10210	20530		175.6	185	9.4	3.5
SBRC328D	10250	20530		179	183	4	2.1
SBRC330D	10210	20570		165	197	32	5.1
SBRC337D	10170	20650		275	283	8	2.0
SBRC349D	10130	20770		19	23	4	6.6
SBRC356D	10060	19970		34	38	4	2.0
SBRC357D	9980	19930		4	8	4	4.1
			and	17	21	4	2.6
			and	24	31	7	2.9
			and	165	171	6	1.7
SBRC361D	10020	19890		54	60	6	2.3
			and	120	139	19	5.7
SBRC365D	9980	19850		6	10	4	2.6
			and	42	46	4	3.5
SBRC375D	9980	20010		59	63	4	1.6
SBRC407D	10020	19490		3	7	4	3.0
SBRC471D	10280	20410		24	29	5	6.5
			and	109	115	6	2.1
SBRC476	10350	20090		54	60	6	3.0
SBRC477	10390	20090		32	39	7	1.3
SBRC478	10430	20090		3	16	13	4.2

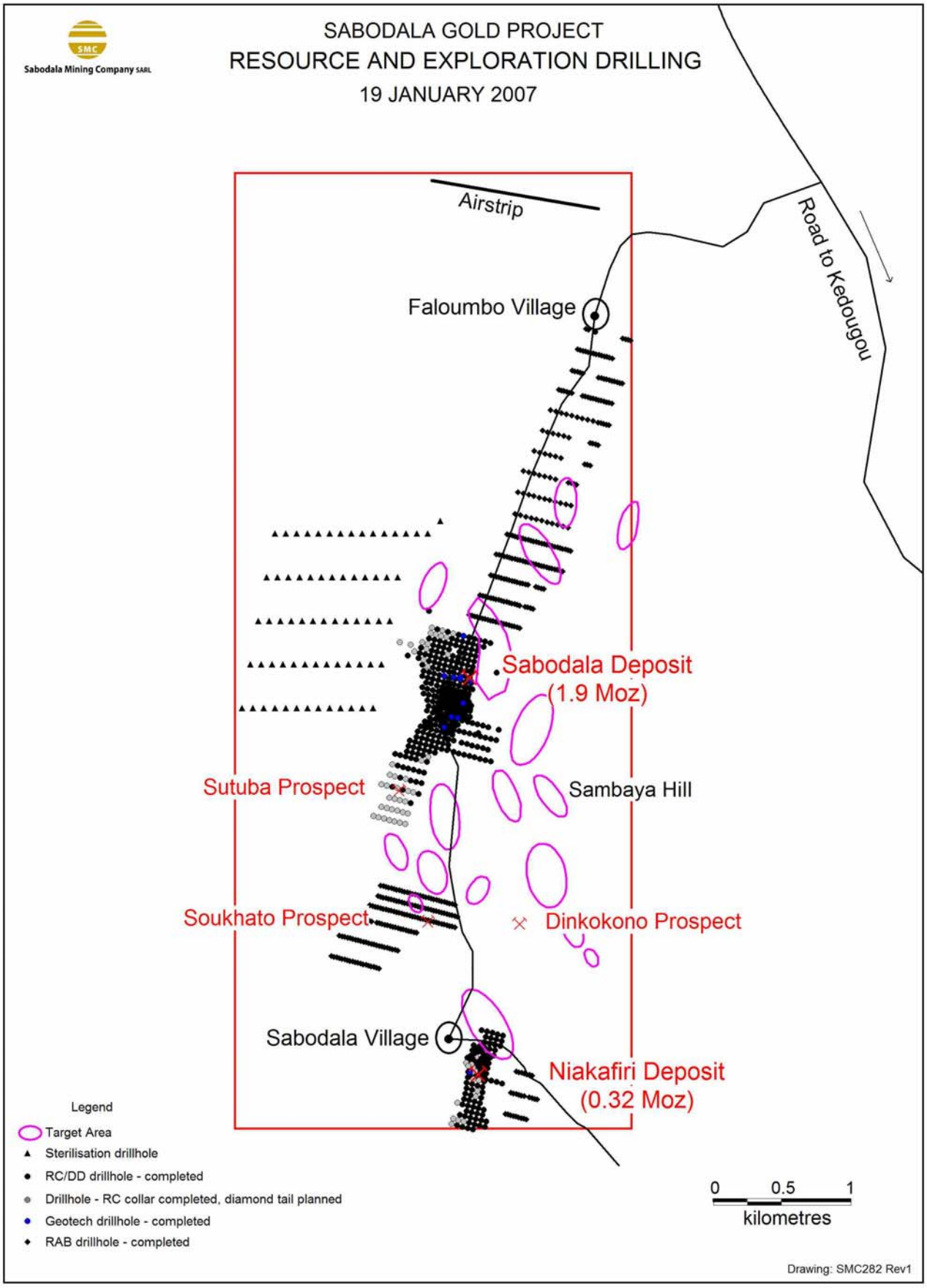
The intervals are based on 1m composite assays, a minimum down-hole width of 4m, with a maximum internal dilution of 2m. The grade cut-off is 1.0g/t Au.

ATTACHMENT 2

Mineralisation Intersections from the Niakafiri Phase 2 Drilling Programme as at 30 January 2006. All holes azimuth grid east and @ -60 degrees inclination

Hole ID	Easting	Northing		From (m)	To (m)	Width (m)	Grade (g/t Au)	Comment
NKRC067D	11020	17970		93.5	102	8.5	1.4	
			and	167	174.9	7.9	1.9	
NKRC077D	10970	17930		109.7	119	9.3	4.2	
			and	141	147	6	1.3	
			and	153	171	18	2.5	
NKRC081D	10970	17790		149	153.4	4.4	1.0	
NKRC082D	11010	17790		100	106	6	1.2	
NKRC085D	10970	17750		119.1	127	7.9	2.0	
			and	131	141	10	2.0	
			and	162	167	5	2.6	
NKRC089D	10970	17710		106	110	4	2.3	
			and	136	141.7	5.7	1.4	
			and	146	165	19	2.8	
NKRC093D	11090	17670		101	132	31	3.0	recalculated, including RC + DD
			and	147	157	10	2.4	
NKRC101D	10970	17450		169.3	174.8	5.5	1.2	
NKRC133D	10970	17870		113	123	10	3.4	
NKRC134D	11010	17869		82	93	11	1.3	recalculated, including RC + DD
NKRC135D	10930	17790		135.5	147	11.5	2.0	
			and	191	197	6	1.1	
NKRC137D	10930	17750		160	165	5	1.6	
			and	168	178	10	1.8	
			and	192	196	4	1.6	

The intervals are based on 1m composite assays, a minimum down-hole width of 4m, with a maximum internal dilution of 2m. The grade cut-off is 1.0g/t Au.


SABODALA GOLD PROJECT
RESOURCE AND EXPLORATION DRILLING
19 JANUARY 2007
Sabodala Mining Company SARL
Airstrip
Road to Kedougou
Faloumbo Village
Sabodala Deposit
(1.9 Moz)
Sutuba Prospect
Sambaya Hill
Soukhato Prospect
Dinkokono Prospect
Sabodala Village
Niakafiri Deposit
(0.32 Moz)
Legend
Target Area
Sterilisation drillhole
RC/DD drillhole - completed
Drillhole - RC collar completed, diamond tail planned
Geotech drillhole - completed
RAB drillhole - completed
0 0.5 1
kilometres
Drawing: SMC282 Rev1