



ASX RELEASE – 29 MAY 2007

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HIGH GOLD GRADE HITS AT SABODALA

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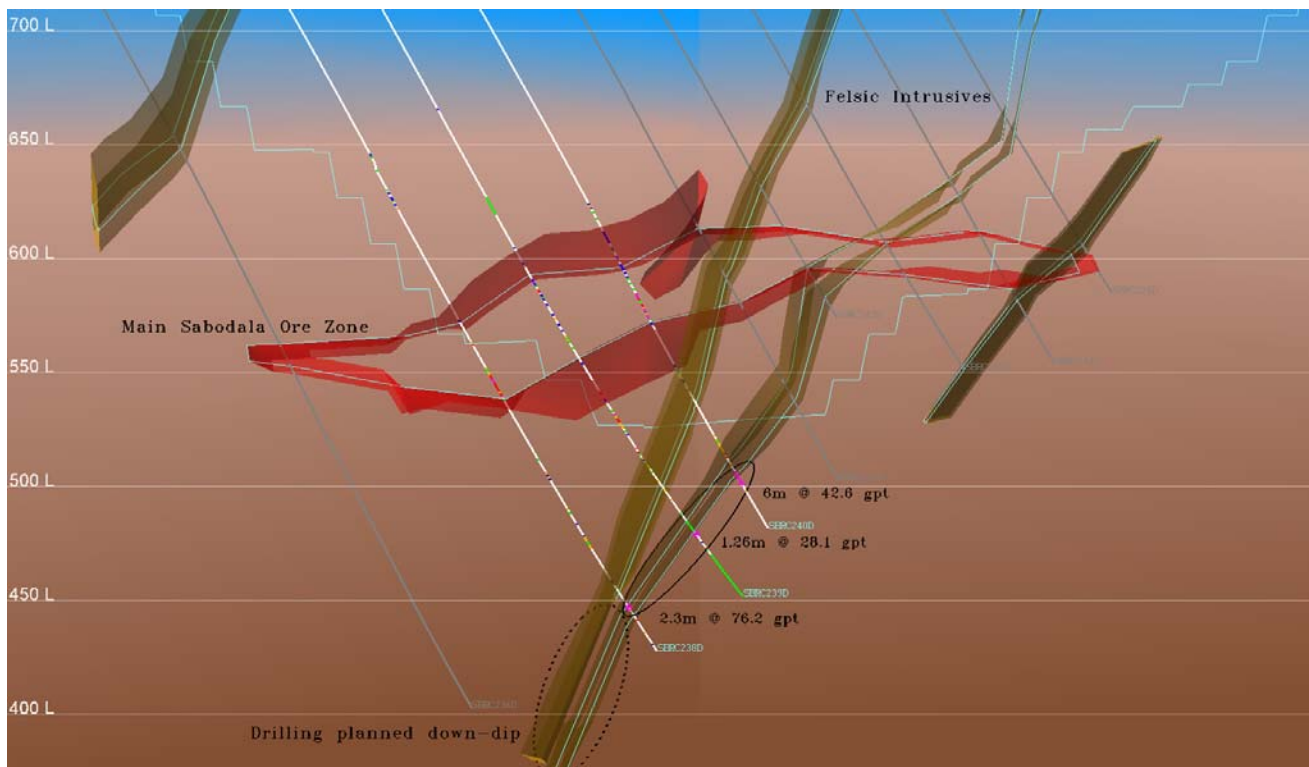
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The company is pleased to announce significant high grade gold intersections from the ongoing drilling programme on the deeper down-dip mineralisation immediately below the Sabodala proposed open pit located in Senegal.

The preliminary open pit design indicates 1.01 million ounces of mineable reserves. The new east flat zone announced on 22 May and this deeper high grade zone will further extend the known mineable reserves. Intercepts were drilled over a 200 metre strike length up to a 110 metre extension of the mineralised gold zone under the preliminary design pit bottom of 210 metres below surface (see attached Table 1).

The better gold intercepts include:

- SBRC099D 4 metres grading 41.4g/t from 203 metres;
- SBRC518D 8.4 metres grading 16.2g/t from 210 metres; and
- SBRC238D 2.3 metres grading 76g/t from 306 metres.





This high grade mineralised zone is associated with a steeply dipping felsic intrusive region under the mineable reserve open pit design. This zone is characterised by intense silicification and pyrite, often including brecciated volcanoclastic rocks that are hematite altered, giving the zone a reddish colour.

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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TABLE 1
Deep felsic related high grade results
All holes azimuth grid east and @ -60 degrees inclination

Section	Hole ID	Easting	Azimuth	From (m)	Interval (m)	Grade (g/t Au)	Vertical metres below pit	Notes
20170N	SBRC044D	10005	90	183	0.4	3.6	110	
20250N	SBRC068D	10030	90	191	1.0	8.0	40	
20290N	SBRC085D	10070	90	167.35	0.5	12.5	At pit bottom	
	SBDD013	9950	90	300			120	Assays pending
20330N	SBRC100D	10010	90	251.9	3.4	4.1	20	
	SBRC099D	10050	90	203	4.0	41.4	At pit bottom	Inc. 1m @ 104g/t and 1m @ 130g/t
	SBRC648D	9880	90	380			170	Assays pending
20370N	SBRC518D	10050	90	210	8.4	16.2	At pit bottom	Inc. 1m @ 110g/t, previously released
	SBRC519D	10010	90	235	7.0	2.0	20	Previously released
20410N	SBRC117D	10110	90	161	5.0	7.2	In-pit	
	SBRC220D	9910	90	332	2.0	15.6	90	
				340	1.4	7.7	90	
	SBRC214D	9950	90	298.8	6.6	17.5	50	Previously released
20450N	SBRC128D	9990	90	275.89	5.1	8.0	20	Previously released
20490N	SBRC240D	10050	90	244	6.0	42.0	10	Previously released
	SBRC239D	10010	90	275.59	1.3	28.1	40	
				283	1.0	5.8	45	
	SBRC238D	9970	90	306	2.3	76.0	80	Inc. 0.92m @ 184g/t