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HEDGING AND DEBT FACILITY UPDATE

- **Gold hedge book restructured to 399,000 ounces at US\$846/oz**
- **Oil hedge created to secure 50% of mining fleet and site power station energy costs**
- **Project debt facility limit extended to US\$52 million from current fully drawn US\$25 million**

MDL wishes to advise changes to its commodity hedge position and associated project related debt facilities.

The company has increased and reorganised its gold hedge position to 399,000 ounces at a flat forward delivery price of US\$846 per ounce (previously 179,500 ounces at US\$861/oz). This gold is for delivery at quarterly intervals in various amounts that reflect the gold production schedule over the period from May 2009 to February 2013.

In addition, MDL has entered into hedge agreements with respect to the oil price over the same four year period. Sabodala Gold Operations SA (SGO) is a large user of both diesel and heavy fuel oil for its mining fleet and dedicated power station. The company has now secured some of its forward energy operating costs during the debt repayment period. Energy costs are the single largest operating expense. MDL has hedged 80,000 barrels per annum for four years at a flat forward price of US\$70 per barrel. Contract deliveries are due at quarterly intervals during this period. These contracts settle against Nymex Light Sweet Crude closing prices and represent approximately 50% of the company's Sabodala mine's expected energy consumption during the period.

All hedging has been done with Macquarie Bank Limited (MBL).

SGO is a 90%-owned subsidiary of MDL. It currently has fully drawn project related debt facilities of US\$25 million. In addition, MDL has a fully drawn US\$35 million working capital facility at corporate level. At the end of March 2009, the corporate facility will reach term and be due for renegotiation. In the current extremely constrained debt markets, the board of MDL has been unwilling to risk a routine rollover of this line. Accordingly, MDL has sought to increase the secured project facilities to enable repayment of the corporate facility, if required, when it falls due. In this way, MDL can match the debt maturity and security with the cash flows from its main producing asset. As a result of the changed hedge structures, MBL has agreed to extend the project related debt facilities from the current US\$25 million to US\$52 million, which would allow flexible management of the corporate debt facility.

The construction phase of the Sabodala Gold Project is nearing completion and on schedule to commence full commissioning from mid January 2009 as advised in recent announcements.

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