



REGIONAL EXPLORATION PROGRAM COMMENCED WITH ENCOURAGING EARLY RESULTS

- ▶ **Exploration commences across 1,600km² regional land package with a \$10 million first year budget**
- ▶ **Multiple targets already identified for follow-up**
- ▶ **Encouraging early results from the trenching programs with an intersection of 78m @ 1.7g/t au**

Exploration on MDL's regional JV titles around its Sabodala mine has been largely suspended during the last two years while the company focused on a drill out of the Sabodala ore body and development of the mine and treatment plant. With the project successfully commissioned, having produced in excess of 110,000 ounces of gold to date at excellent cash costs, MDL has been able to initiate a regional exploration program of trenching and drilling on the 1,600km² land package associated with the project.

Until very recently, essentially no modern exploration work had been conducted across the land package which, given the highly prospective geology, has enormous potential to host large deposits as evidenced by the rapid progress of the area around Sabodala which within a few short years has already grown to a 10 million ounce field.

The area consists of a suite of a typical Birimian greenstone-sediment assemblage which is extensively covered with various episodes of laterisation. Within the various joint venture titles, many geochemical anomalies have been identified within the laterites and new work programs are intended to evaluate if these various targets are reflective of actual mineralisation within the bedrock or are just transported gold in the laterites or similar. A detailed aeromagnetic survey of the entire area has also identified many outstanding structurally controlled areas to be followed up with geochemistry and drilling.

Work will now focus on trenching and extensive RAB drilling programs to identify bedrock targets which will then be followed up by extensive RC drilling programs. The first of the trenching programs has begun and the very first of the results are being received. MDL is very encouraged by the first of these results as detailed below.

Preliminary Results from Sounkounkou Trenching Program include an interval of 78 metres grading 1.7g/t Au at the Gold Creek Prospect

In the Sounkounkou permit, a program of 16 trenches for a total of 4,296 metres has been completed. All trenches targeted surface geochemical gold anomalies and extensions of known mineralised zones. All trenches were completed in saprolitic-bedrock and were on average 2-3m deep, with some of the early trenches being up to 4 metres deep. All trenches were geologically mapped and sampled. Overburden gravels and laterite materials were also selectively sampled to investigate the geochemical dispersion in the regolith profile.

A total of 3,921 samples (inclusive of quality control samples) was submitted to SGS Laboratories in Kayes for fire assay gold determination. Approximately 50% of the results have been received and plotted.

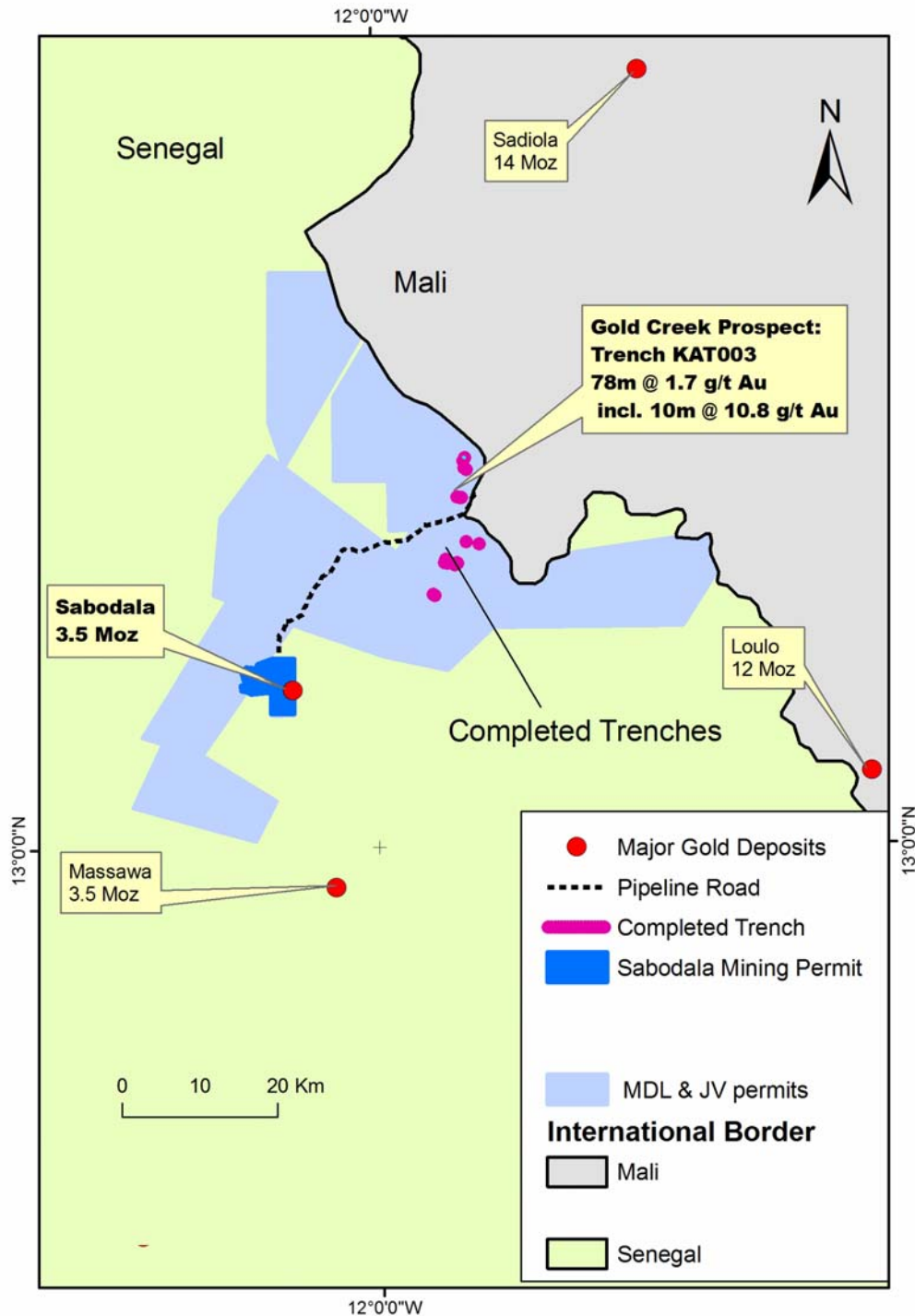
Significant results to date include a 78m interval at 1.7g/t Au inclusive of a smaller interval of 10 metres at 10.8g/t Au at the Gold Creek Prospect. These values include a 2 metre interval of 49.6g/t Au.

A cut interval was also calculated where the 49.6g/t Au value was cut to 17.4g/t Au (Mean plus 2 standard Deviations):

Summary: Saprolite Samples in Trench KAT003			
From (m)	To (m)	Uncut Interval	Cut Interval
456	534	78m @ 1.71 g/t Au	78m @ 0.89 g/t Au
502	512	10m @ 10.84 g/t Au	10m @ 4.41 g/t Au
Mean (uncut)		1.71	
Standard Dev		7.88	
Top Cut off		17.47	(Mean+2 Standard Deviations)

This interval relates to a zone of quartz-feldspar porphyry dikes and associated minor quartz veinlets development in a package of typical West African Birimian sediments. The mineralised structure intersected by the trench is located beneath an extensive surface gold anomaly developed in lateritic soils. The result is significant as it suggests a wide zone of primary gold mineralisation underneath complex and transported overburden materials. Further work is in progress to fully explore this area.

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Prospect Location Map

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IMPORTANT INFORMATION

About MDL

Mineral Deposits Limited is a diversified mining company with a current focus in Senegal, West Africa through a producing gold mine, the Sabodala Gold Project, and a to be developed mineral sands project, the Grande Côte Zircon Project.

Senegal is one of Africa's most successful democracies, having gained independence in 1960. It enjoys a stable and investor friendly political and social environment.

The Sabodala Gold Project, which poured its first gold bars in mid-March 2009, is located 650km east of the capital Dakar within the West African Birimian geological belt and about 90km from major gold mines and discoveries in Mali. The area has only recently been opened for mining and exploration and is already emerging as a significant new gold camp, with further recent discoveries having been made by Oromin Explorations Limited and Randgold Limited.

The Grande Côte Zircon Project is located on a coastal mobile sand dune system starting about 50km north of Dakar and extending northwards for more than 80km. The large scale of the ore body and the high quality of the zircon offers the opportunity to establish a very long life, low cost operation which will be a producer of international significance in the zircon market. In addition to zircon, mining will also produce large volumes of ilmenite.

The government of the Republic of Senegal is MDL's valued partner and holds a 10% free carried interest in both projects, which accrues dividends once MDL has recovered its' capital invested.

Competent Persons Statement

The information in this announcement 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" and as defined in NI43-101. Mr Young has consented to the inclusion of this information in the form and context in which it appears in this announcement.