

2009 GOLD PRODUCTION EXCEEDS GUIDANCE**WEST AFRICA**

Mineral Deposits Limited (ASX: MDL, TSX: MDM) is pleased to announce the continued strong performance of its Sabodala gold mine in Senegal, West Africa with 162,529 ounces produced since commencement in March 2009 to 31 December 2009, exceeding production guidance of 160,000 ounces.

Sabodala is located on the extension into Senegal of the renowned West African Birimian gold belt, which is becoming a major new gold district.

Sabodala's gross cash costs averaged US\$413/oz (excluding royalties) during 2009, also bettering guidance of US\$420-440/oz.

Gold production for the December 2009 quarter was 45,792 ounces, giving 100,052 ounces for the first half of FY2010. With expected production of 35,000 to 40,000 ounces for the March and June quarters, forecast gold production for FY2010 is between 170,000 to 180,000 ounces.

Mill throughput for the December quarter was a record 600,000 tonnes – an annualised rate of 2.4 million tonnes per annum (Mtpa), well above name plate capacity of 2.0 Mtpa.

Nic Limb, Executive Chairman of MDL, commented "we are extremely pleased with the commissioning and performance of Sabodala in 2009. We are now building upon our position with a planned mill expansion to 4.0 Mtpa to increase gold production to an average of approximately 200,000 ounces per annum from mid-2011. We are also significantly ramping up our exploration activities with a view to increasing resources and reserves and increasing the longevity of the operations."

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About MDL

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

The Sabodala Gold Operation, which poured its first gold in March 2009, is located 650 kilometres east of the capital Dakar within the West African Birimian geological belt in Senegal, and about 90 kilometres from major gold mines and discoveries in Mali. The area has only recently been opened for mining and exploration and is emerging as a significant new gold camp, with more than 10M ounces of resources already discovered.

The Grande Côte Mineral Sands Project is located on the coast of Senegal starting approximately 50 kilometres north of Dakar and extending northwards for more than 100 kilometres. The large scale of the ore body and the high quality of the zircon provides the potential to establish an operation of international significance.

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

Forward Looking Statements

Certain information contained in this release, including any information on MDL's plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. MDL cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of MDL to be materially different from the company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in exploration and development of mineral properties, changes in economic conditions, changes in the worldwide price of gold and other key inputs, changes in mine plans and other factors, such as project execution delays, many of which are beyond the control of MDL. Nothing in this presentation should be construed as either an offer to sell or a solicitation to buy or sell MDL securities.