

SABODALA EXPANSION UPDATE

Mineral Deposits Limited (ASX: MDL, TSX: MDM) today announces that further to the announcement on 27 January 2010, the planned expansion of the Sabodala gold plant will be undertaken in two phases. The installation of a new gyratory primary crusher and reclaim system will be carried out as a second phase of the expansion, approximately a year after completion of the first phase. Undertaking the expansion in two phases will minimise disruption to the operations and allow the capacity of the existing jaw crusher to be maximised.

Upon completion of the first phase of the expanded operations, anticipated to be in mid-2011, it is expected that the nominal capacity of the plant will be increased from 2.0 million tonnes per annum (Mtpa) to up to 3.5 Mtpa.

The estimated capital cost of the first phase of the expansion is approximately US\$55 million which is intended to be funded from debt and cash flow.

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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.