

RESOURCE DEFINITION DRILLING COMMENCES AT GORA

Mineral Deposits Limited (ASX: MDL, TSX: MDM) is pleased to announce that after successfully completing an initial 3,500 metre resource confirmation reverse circulation (RC) drilling program at the Gora deposit (formerly known as Zone D), a 10,000 metre program of resource definition drilling is underway.

The Gora deposit is located approximately 25 kilometres northeast of the Sabodala processing plant within the Sounkounkoun exploration permit, in which MDL and AXMIN Inc. are joint venture partners whereby MDL is earning a majority interest and manages the exploration.

Based on the 41 drill holes completed to date (previously referred to in the third quarter report released on 30 April 2010 and follow-up announcement of 7 May 2010), with results available, the weighted average grade of the mineralisation intersected calculates at an average of 8.8 g/t Au with an average width of 2.4 metres. In 11 of the mineralised holes, more than one vein was intersected. The depth of the holes to date has averaged 123 metres, representing a vertical stand of approximately 80 metres.

More recent drill results include:

- 3 metres @ 16.4 g/t Au from 40 metres depth (SKRC025)
- 4 metres @ 11.0 g/t Au from 19 metres (SKRC027)
- 5 metres @ 8.9 g/t Au from 79 metres (SKRC030)
- 2 metres @ 28.8 g/t Au from 46 metres and 2 metres @ 16.1 g/t Au from 58 metres (SKRC032)
- 2 metres @ 6.88 g/t Au from 27 metres and 1 metre @ 17.6 g/t Au from 68 metres (SKRC035)
- 3 metres @ 21.8 g/t Au from 96 metres (SKRC041)

The drill results point to NE plunging, high-grade ore shoots within a larger quartz vein system and currently present a target for an open pit mine.

The Gora deposit comprises a series of en-echelon quartz veins and lenses over an approximate 800m strike length (based on drilling to date) hosted by a sequence of folded sediments adjacent to a series of porphyry and granite intrusions. Trenching to the north and south indicate that the mineralised structure extends for at least 1,100m in strike length. Step-out drilling is also planned to map out the full strike length of the mineralised structures to the north and south.

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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.

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.

Appendix 1: Gora Prospect RC Drill Hole Details

HOLEID	DEPTH	Azimuth	Dip	EAST	NORTH	RL	Intercepts
SKRC001	120	310	-60	182304	1471592	137	2m @ 25.3 g/t Au from 23m
							2m @ 1.8 g/t Au from 28m
							3m @ 1.0 g/t Au from 92m
							2m @ 1.7 g/t Au from 106m
							4m @ 1.3 g/t Au from 110m
SKRC002	123	310	-60	182406	1471778	138	4m @ 1.7 g/t Au from 35m
SKRC003	121	310	-60	182275	1471553	148	None
SKRC004	124	310	-60	182323	1471566	141	1m @ 5g/t Au from 48m
SKRC005	124	310	-60	182311	1471623	142	None
SKRC006	123	310	-60	182450	1471750	147	1m @ 147.2 g/t Au from 17m
							2m @ 10.0 g/t Au from 69m
SKRC007	123	310	-60	182483	1471992	131	1m @ 3.3 g/t Au from 30m
SKRC008	120	310	-50	182538	1472119	141	4m @ 1.8 g/t Au from 8m
							3m @ 23.6 g/t Au from 15m
							1m @ 1.1 g/t Au from 100m
SKRC009	120	310	-50	182604	1472079	140	1m @ 5.4 g/t Au from 60m
SKRC010	124	310	-50	182570	1472109	141	1m @ 1.1 g/t Au from 34m
SKRC011	123	310	-50	182561	1472159	139	1m @ 17.5 g/t Au from 13m
SKRC012	120	310	-50	182592	1472141	138	1m @ 1.1 g/t Au from 28m
							3m @ 10 g/t Au from 35m
SKRC013	120	310	-50	182734	1472283	133	None
SKRC014	129	310	-50	182478	1471733	140	1m @ 14.1 g/t Au from 48m
							2m @ 16.5 g/t Au from 83m
SKRC015	125	310	-50	182432	1471805	142	2m @ 4.6 g/t Au from 26m
SKRC016	125	310	-50	182359	1471546	137	None
SKRC017	125	310	-50	182402	1471737	141	3m @ 2.1 g/t Au from 33m
SKRC018	125	310	-50	182518	1472085	139	3m @ 32.4 g/t Au from 18m
SKRC019	123	310	-50	182595	1472182	136	4m @ 4.4 g/t Au from 14m
SKRC020	117	310	-50	182503	1472027	138	None
SKRC021	120	310	-50	182513	1471974	137	1m @ 2.3 g/t Au from surface
							3m @ 2.4 g/t Au from 4m
							4m @ 8.8 g/t Au from 56m
SKRC022	123	310	-50	182460	1471958	137	None
SKRC023	126	310	-50	182625	1472117	135	3m @ 2.0 g/t Au from 33m
							2m @ 5.7 g/t Au from 53m
							4m @ 5.4 g/t Au from 59m
SKRC024	123	310	-50	182620	1472168	135	4m @ 7.1 g/t Au from 44m
SKRC025	120	310	-50	182545	1472069	139	2m @ 1.4 g/t Au from 0m
							3m @ 16.4 g/t Au from 40m
SKRC026	120	310	-50	182456	1471844	125	5m @ 2.4 g/t Au from 32m (including 6.1 g/t Au from 33-34m)
SKRC027	117	310	-50	182369	1471710	138	2m @ 1.5 g/t Au from 0m
							4m @ 11.0 g/t Au from 19m
SKRC028	123	310	-50	182489	1472063	139	None
SKRC029	123	310	-50	162610	1472223	134	1m @ 0.6 g/t Au from 23m
SKRC030	120	310	-50	182632	1472073	136	1m @ 0.8 g/t Au from 13m
							5m @ 8.9 g/t Au from 79m
SKRC031	123	310	-50	182468	1471786	140	1m @ 1.0 g/t Au from 0m
							4m @ 2.2 g/t Au from 56m
SKRC032	123	310	-50	182640	1472157	134	2m @ 28.8 g/t Au from 46m
							2m @ 16.1 g/t Au from 58m
SKRC033	123	310	-50	182389	1471671	138	1m @ 0.52 g/t Au from 7m
							1m @ 0.52 g/t Au from 50m
SKRC034	123	310	-50	182499	1471949	136	1m @ 2.05 g/t Au from 7m
							1m @ 1.29 g/t Au from 11m
							2m @ 3.16 g/t Au from 58m
SKRC035	123	310	-50	182583	1472046	137	2m @ 6.88 g/t Au from 27m
							1m @ 17.6 g/t Au from 68m
SKRC036	123	310	-60	182661	1472188	133	1m @ 1.17 g/t Au from 10m
							1m @ 3.84 g/t Au from 65m
SKRC037	123	310	-50	182704	1472303	133	1m @ 0.26 g/t Au from 8m
							3m @ 2.23 g/t Au from 59m
SKRC038	123	310	-50	182490	1471826	139	4m @ 1.08 g/t Au from 95m
							1m @ 4.67 g/t Au from 16m
SKRC039	123	310	-50	182427	1471720	140	1m @ 4.63 g/t Au from 56m
							1m @ 1.06 g/t Au from 49m
SKRC040	123	310	-50	182680	1472240	134	3m @ 21.8 g/t Au from 96m
							1m @ 1.61 g/t Au from 104m
SKRC041	123	310	-50	182617	1472020	139	

Note: Assays are undertaken at the Sabodala SGS laboratory by AAS utilising acid digest.
Outside laboratory checks are undertaken by fire assay.