



JUNE QUARTER HIGHLIGHTS

Sabodala Production Statistics

	Jun'09 Quarter	Mar'09 Month
Gold produced (ozs)	58,943	3,534
Cash cost (US\$/oz)	350	n/m



Sabodala Inauguration



Issued Capital

	Jun'09
Issued shares	563,375,950
Unlisted options	46,350,000

Finance

	Jun'09
Cash and cash equivalents	A\$22.5m
Project Finance Facility drawn	US\$38.0m
Mining Fleet Lease principal	US\$16.9m
Hedge facility (at US\$846/oz)	363,832 ozs

KEY POINTS

- ▶ **Sabodala gold production of 62,477 ounces to 30 June 2009 – tracking to expectations**
- ▶ **Plant commissioning since mid-March has gone extremely well, with the mill operating above 2Mtpa nameplate capacity**
- ▶ **June quarter cash cost of US\$350 per ounce**
- ▶ **Expect to produce 160,000 ounces to 31 December 2009**

OVERVIEW

Sabodala Gold Project

- Construction of the project was essentially finished in March 2009 with the only significant outstanding item – a 40km water pipeline – due for completion in August
- Pit development has progressed as planned. An issue for improvement is the occasional limited access to broken ore due to the performance of the blast hole drill rigs
- The processing plant commenced commissioning in mid-March and ramped up production throughout the June quarter to a rate of 2.3Mtpa – well above nameplate capacity of 2Mtpa
- Gold production to the end of June has been 62,477 ounces, including 58,943 ounces during the June quarter
- Recoveries have been well above budget, at greater than 93%, in part due to the high proportion of oxide mill feed
- Inauguration of the project was undertaken on 3 June 2009 by the President of Senegal, His Excellency Abdoulaye Wade and MDL's Chairman, Nic Limb
- With the project now built and brought to production, exploration drilling both within the mining lease and regional areas will be ramped up (which had largely been suspended during the past 18 months)

Grande Côte Zircon Project

- Planning was completed during the June quarter to recommence development activity and for finalisation of a Definitive Feasibility Study, which is scheduled for completion by February 2010

CORPORATE

- Raised A\$9.4 million under Share Purchase Plan (15,121,716 ordinary shares at A\$0.62)
- Appointment of Mr James Murray Grant as a non-executive director

SABODALA GOLD PROJECT

Performance Overview

Construction of the project was essentially finished in March 2009 with the only significant outstanding item being the completion (due in August 2009) of a 40km pipeline from the Faleme River to provide insurance against future poor wet seasons as well as provide water for future plant expansions.

With mining having commenced in June 2008 involving initial pre stripping followed by ore stockpiling, a substantial "run of mine" stockpile ("ROM pad") of over 1.0Mt had been established by March 2009 in readiness for the plant commissioning. Pit development is progressing as planned, with the only issue of significance to date being the performance of the blast hole drill rigs which has at times limited access to broken ore. The mining fleet (owned and operated by MDL) has otherwise performed well with adequate capacity evident.

The processing plant commenced commissioning in mid March 2009 and ramped up production throughout the June quarter to a rate of 2.3Mtpa (well above nameplate capacity of 2Mtpa), partly as a result of much of the mill feed to date being softer oxide ore which passes through at higher throughput rates. The operation has commissioned extremely well with only minor issues encountered, which are now largely behind us.

Gold production to the end of June has been 62,477 ounces, including 58,943 ounces during the June quarter. Recoveries have been well above budget, at greater than 93%, in part due to the high proportion of oxide mill feed.

Gold Production Statistics

		Jun 2009 Quarter	Mar 2009 Month
Ore mined	('000t)	854	155
Total mined	('000t)	2,846	1,402
Ore processed	('000t)	575	132
Head grade	(g/t)	3.27	2.60
Gold recovery	(%)	93.8	91.0
Gold produced *	(oz)	58,943	3,534
Cash cost per oz #	US\$/oz	350	n/m
Gold sold	(oz)	52,325	nil
Average price received	US\$/oz	878	nil

* Gold produced is gold poured and does not include gold-in-circuit at period end

Cash costs do not include royalties which totalled US\$23/oz
n/m = not meaningful due to commissioning during the month

Presidential Inauguration

The Inauguration of the Sabodala Gold Project on 3 June 2009 was undertaken by the President of Senegal, His Excellency Abdoulaye Wade and the Chairman of Mineral Deposits Limited, Mr Nic Limb.

The inauguration involved a Presidential tour of the operation and very well received speeches signifying the importance of Sabodala to Senegal as its first modern gold mine and the beneficial impacts flowing through to the local community and Senegal as a whole. The project has created over 500 direct jobs of which some 90% are held by Senegalese citizens. During the construction period, some 1,400 people were employed, with the great majority being Senegalese.



SABODALA GOLD PROJECT

Mine Lease Exploration

The 30km² Mining Concession area (the "Mine Lease") contains the Sabodala mine, plant and associated infrastructure. Work over the last 18 months has focussed within the Sabodala pit area however with the mine now operating attention has returned to the many other prospects on the mine lease.

Exploration within the Mining Concession during the quarter comprised detailed geological and structural mapping and rock chip sampling. Some 13 target areas have been identified, four of which have been sufficiently advanced to warrant drilling which is being planned. These are:

- Masato Extension – the southern strike extension of the Masato Trend (1.32 Moz, Oromin Explorations Ltd) the extent of which has been mapped by IP geophysics into the Mining Concession for a strike length exceeding 2km.
- Falumbo – detailed rock chip sampling has returned high values for a north-east trending cross structure. Higher values in this area are 6.0 g/t Au and 1.8 g/t Au with a further 21 samples in the 0.1 to <0.5 g/t Au range.
- Niakafiri East – the target has been extensively rock chip sampled, with peak values ranging from 1.1 g/t Au to 3.4 g/t Au. The anomalous values define a north-east trending zone of interest approximately 150m long and 80m wide.
- Soukhoto – geological mapping has defined a series of EW trending quartz veins where outcrop, dump and spoil sampling from artisanal workings has provided assays up to 29.88 g/t Au. Other high-values range from 4.5 g/t Au to 23.2 g/t Au. At Soukhoto South outcrop sampling of a north-west trending quartz lode has given results up to 63.8 g/t Au. A major review of previous drilling and its effectiveness is progressing.

Regional Exploration

MDL, through its 100% subsidiary Sabodala Mining Company SARL ("SMC"), has four joint ventures covering a highly strategic part of the Birimian greenstone belt in Senegal now totalling 1,613 square kilometres. All projects are located within 10-50 kilometres of the Sabodala Mining Concession.

During the past 18 months regional exploration drilling was largely suspended while the mine was built and brought to production. The region is essentially a greenfield gold province and we have used the last 18 months to do basic work such as geological mapping and geophysical and geochemical data collection as a precursor to a new exploration drilling phase. A total of 35 areas of interest on seven exploration permits have been identified to date.

Follow up work is in progress on a number of these, while regional programs of mapping are continuing on two of the permits. Follow up work has now begun on the first of these targets and some of the more interesting early results are described below.

The plan over the page identifies the regional titles and some of the prospects.

Bransan Area (MDL 70%)

At Diadiako, a new RC/diamond drilling program is in preparation as follow-up of previous interesting intersections. The target is a structurally located gold deposit with alteration and mineralization of similar style to that found at the Sabodala deposit.

Within the "Sabodala Structural Corridor" (SSC) geological mapping and geochemical sampling on a 200x50m grid is complete and over 4,000 samples have been despatched for analysis. The SSC is identified within the Bransan permit, over a strike length of some 10km and an approximate 3km width. With an extensive laterite cover, follow-up will be by RAB drilling.

Dembala Berola Area (MDL earning 80%)

Artisanal mining, trench sampling and drilling confirms the presence of gold mineralisation within the sedimentary package at Dembala Berola.

Assay results from drilling in the previous quarter showed 13 of the 20 holes intersected sediment hosted gold mineralisation. One hole (with an intersection of 8m at 2.9g/t) was the first drill hole to test a recently mapped structure, part of a zone that has a strike length in excess of 2km. The intersection is located some 400m north-east of "Sadiola Hill" at Goundamekho South where previous drill holes had also intersected gold mineralisation. A follow-up drilling program is in preparation.

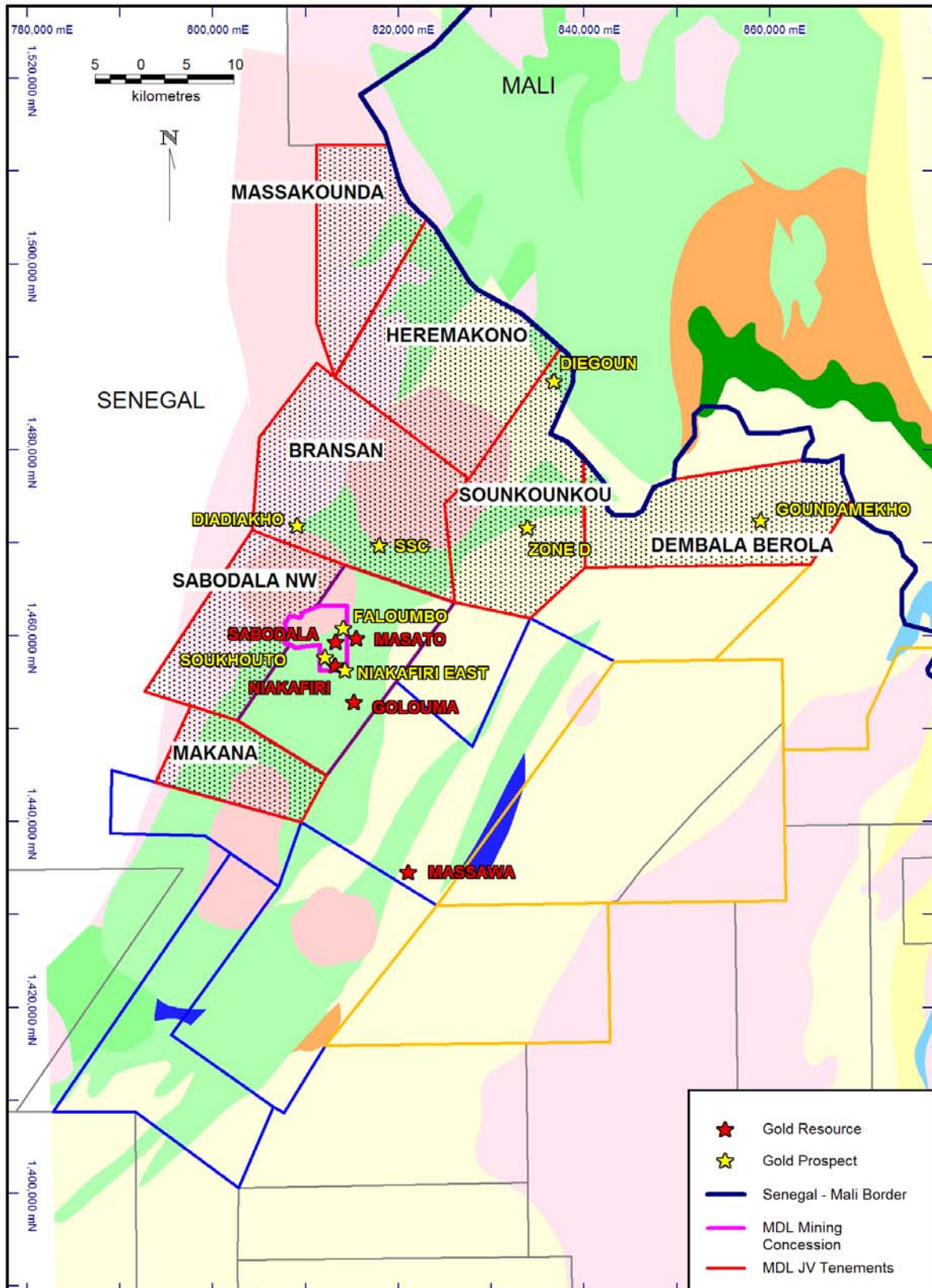
More regional soil sampling and structural interpretation within the permit has so far defined eight other prospective areas for detailed geological mapping and geochemical sampling. A follow-up RAB drilling program to define RC/diamond drilling targets is in preparation.

Heremakono, Sounkounkou and Sabodala NW (MDL earning 80%)

Detailed geological mapping, rock-chip sampling and trenching is in progress to prioritise target areas. Stand out targets are "Zone D" and Diegoun North prospect areas, both in the Sounkounkou permit.

SABODALA GOLD PROJECT

Regional titles and prospects



GRANDE CÔTE ZIRCON PROJECT

Background

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 mineralised dune system averages about 2km wide with some areas extending up to 4.5 km wide, and consist of largely non vegetated and unpopulated sand masses.

Final government approvals were received for this project in November 2007 whereby the company was awarded a 25 year Mining Concession and other fiscal incentives under the executed Mining Convention/Supplementary Deed.

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, a mineral which forms the predominant feedstock for titanium dioxide production.

Activity on the project was slowed during 2008 to allow corporate focus on Sabodala. During the June quarter planning was finalised to recommence development activity and the planning was completed for finalisation of a Definitive Feasibility Study, ("DFS").

Once the DFS is complete in the new year, MDL proposes to consider the various funding options available for the development which may include partnering the project with a product consumer and/or Development Bank and Export Credit Agency financing structures.

Definitive Feasibility Study

This study has re-commenced with a schedule for completion by February 2010. The budget allocation for the finalisation of this study is US\$3.7 million. The DFS will incorporate:

- Finalisation of infill drilling for reserve calculation and mine planning purposes. A program of 1,164 infill holes for 22,700m has commenced
- Modifications to some detailed engineering work to accommodate a new generation of spirals that offer up to 10% higher HM recoveries
- Some metallurgical check work on product from the new spirals to reconfirm the MSP circuit
- Further hydrology work to ensure a full understanding of dredge pond management
- Finalisation of a well advanced ilmenite study
- Environment and social impact detailed studies
- Various options studies on things like power and other infrastructure items

During the quarter, further mine planning in the Diogo-Fas Boye area (approx 40% of the resource) was conducted as this will be the initial mining area.

As announced in May, a range of resource figures at various cut off grades and mining depths below the water table were calculated to help determine the optimum mining parameters. Current planning, which might be modified by further feasibility study work, is to operate at a six metre depth below the water table and at a 1.25% cut-off grade. Using these parameters, the Measured and Indicated Resources are 493 million tonnes at 1.8% heavy mineral.

The planned mining rate is 48 million tonnes per annum. The principal conclusion reached from this work is that the dredge will be able to operate in long, relatively straight runs in acceptable grade material which will have significant impact on the general ease and cost of the operation.





CORPORATE OVERVIEW

Directors

Nic Limb, Executive Chairman
Jeff Williams, Managing Director
Martin Ackland, Executive Director
Clever Fonseca, Executive Director
David Isles, Non-Executive Director
Robert Danchin, Non-Executive Director
Oliver Lennox-King, Non-Executive Director
Murray Grant, Non-Executive Director

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Melvyn Drummond

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Stock Exchange Listings

Australian Securities Exchange, ASX code: **MDL**
Toronto Stock Exchange, TSX code: **MDM**

Share Capital

Ordinary Shares = 563,375,950
Unlisted options = 46,350,000

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.



IMPORTANT INFORMATION

Forward Looking Statements

Certain information contained in this presentation, 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, zircon, ilmenite 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.

Competent Persons Statement

The information in this report 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". Mr Young has consented to the inclusion of this information in the form and context in which it appears in this report.