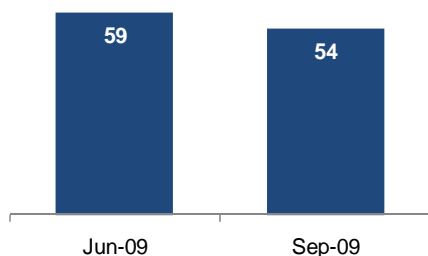


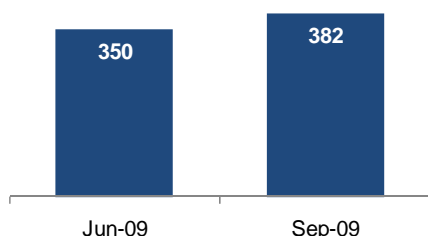


SEPTEMBER QUARTER HIGHLIGHTS

Gold Production ('000ozs)



Gross Cash Cost* (US\$/oz)



* excluding royalties

Issued Capital

	Sept'09
Issued shares	563,375,950
Unlisted options	45,600,000

Unlisted Options – Exercise Profile

Exercise Price (A\$)	Options (m)
\$0.33 - \$0.85	16.000
\$1.40	20.000
\$1.60	9.350
\$2.00	0.250
VWAP = \$1.16	45.600

Finance

	Sept'09
Cash and cash equivalents	A\$31.3m
Project Finance Facility drawn	US\$30.0m
Mining Fleet Lease principal	US\$14.8m
Hedge facility (at US\$846/oz)	328,500ozs

KEY POINTS

- ▶ **Sabodala quarterly gold production of 54,260 ounces**
- ▶ **Gross cash costs of US\$382 per ounce (excl. royalties)**
- ▶ **Remain on track to produce 160,000 ounces to 31 December 2009**
- ▶ **Exploration program commenced with encouraging early results**
- ▶ **Sabodala Life-of-Mine study is in progress with the objective of both increasing near term production as well as assessing the benefits of a significant plant expansion**

OVERVIEW

Sabodala Gold Operation

- Gold production was in line with plan at 54,260 ounces for the quarter, following 58,943 ounces in the June quarter
- The annual wet season, which generally runs from July to around mid-October, was heavier than usual this year and negatively impacted productivity of the mining operations and the processing plant
- Gross cash operating costs (excluding royalties) remain low at US\$382/oz, although they were 9% higher than US\$350/oz in the June quarter, largely a function of constant costs on a lower level of production
- Mill throughput at 499k tonnes (13% lower than June quarter) was curtailed as a result of electrical faults late August/early September (which were rectified mid-September), as well as SAG mill chute blockages (predominantly caused by the feeding of wet oxide ore)
- Both the head grade of 3.66g/t and recoveries at 92.2% were above budget
- An exploration program on both the mine lease and regional land package of approximately 1,600km² has now commenced, with results from early trenching including a 78m interval at 1.7 g/t gold

Grande Côte Mineral Sands Project

- The Definitive Feasibility Study ("DFS") commenced and activity included a site visit by AMC Consultants. Completion of the DFS is scheduled for the first quarter of 2010
- Resource drilling of the Mboro area is nearing completion and it is anticipated the new resource defined by the drilling will underpin an additional 3-4 years production

CORPORATE / FINANCE

- Rick Sharp appointed Chief Financial Officer
- Repaid US\$8 million of Project Finance Facility – leaving US\$30 million balance (which is intended to be paid out by 30 June 2010)
- Delivered 35,332 ounces into gold hedges – leaving 328,500 ounces outstanding (at US\$846/oz)



SABODALA GOLD OPERATION

Production Statistics

		Sept 2009 Quarter	June 2009 Quarter
Ore mined	('000t)	807	854
Total mined	('000t)	3,292	2,846
Ore processed	('000t)	499	575
Head grade	(g/t)	3.66	3.27
Gold recovery	(%)	92.2	93.8
Gold produced *	(oz)	54,260	58,943
Gross cash costs (excl. royalties)	US\$/oz	382	350
Gross cash costs (incl. royalties)	US\$/oz	412	373
Gold sold	(oz)	57,443	52,325
Average price received	US\$/oz	890	878

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

Performance Overview

Sabodala's September quarter production was 54,260 ounces (58,943 ounces in the June quarter) at a gross cash operating cost of US\$382/oz excluding royalties (US\$350/oz in June quarter). The slight fall in output compared with the June quarter was in-line with plan.

The annual wet season, which generally runs from July through to around mid-October, was heavier than usual this year. While the holdings within the site dams are now high, the productivity of both the mining operations and the processing plant was negatively impacted by the heavy rains.

The 40 kilometre Faleme River pipeline is now essentially complete and has the ability to pump around two million tonnes of water per year to provide insurance for any unanticipated dry spell as well as provide additional water for future plant expansions.

Within the pit, the impact of the wet operating conditions was minimised through the development of different benches at varying elevations, and the availability of softer ores. Problems with the performance of the blast hole drill rigs continued during the quarter, limiting the availability of broken ore stocks. A second contract drill rig has recently been mobilised to increase drilling capacity and build up broken stocks. Otherwise, the truck fleet and diggers have performed well.

Mill throughput for the quarter was 498,867 tonnes (13% lower than 574,737 tonnes in June quarter) at a head grade of 3.66g/t gold, with recovery at 92.2%. Electrical faults late August/early September (which were rectified mid-September), as well as SAG mill chute blockages (predominantly caused by the feeding of wet oxide ore – a function of the heavier than usual wet season), curtailed production during the quarter.

Safety management focused on workplace inspections of the Sabodala operations and business partner workplaces with the emphasis on identifying hazards and any opportunities for health and safety improvements. The focus on safety and training has resulted in a Zero Lost Time Injury Frequency Rate, quite an achievement for a newly-developed site and considering that most of the Senegalese employees are fresh to the mining industry and for many it is their first work experience.

Plan for the December quarter involves lower to medium grade material being processed in October, with grades improving in November and December as higher grade ore within the open pit is mined. The operation remains on track to produce approximately 160,000 ounces by the end of this calendar year – requiring approximately 43,000 ounces in the December quarter, which is in line with plan.

Life-of-Mine studies are currently underway with the objective of both increasing near term production as well as assessing the benefits of a significant plant expansion.

Exploration

Exploration on both the mine lease and the regional joint venture titles (comprising a land package of approximately 1,600km²) was largely suspended during the last two years while the focus was on a drill out of the Sabodala ore body and development of the mine and treatment plant. An exploration program on both the mine lease and regional land package has now commenced.

Within the various regional joint venture titles, a large number of geochemical anomalies have been identified, many within the laterite. New work programs are intended to evaluate which of these various targets are reflective of actual mineralisation within the bedrock. 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 also focus on trenching and extensive RAB drilling programs to identify bedrock targets which will then be followed up by RC drilling programs where appropriate.

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 2-3 metres deep, with some of the early trenches being up to 4 metres deep. A total of 3,921 samples (inclusive of quality control samples) was submitted to SGS Laboratories in Kayes, Mali 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 gold inclusive of a smaller interval of 10m at 10.8g/t gold at the Gold Creek Prospect. These values include a 2m interval of 49.6g/t gold.



CORPORATE INFORMATION

Corporate Directory

Directors

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

Senior Management

Rick Sharp, Chief Financial Officer
Melvyn Drummond, Company Secretary

Registered Office

Level 7, 530 Little Collins Street
Melbourne, Victoria 3000, Australia
T: +61 3 9909 7633
F: +61 3 9621 1460
E: mdlmail@mineraldeposits.com.au
W: www.mineraldeposits.com.au

Toronto Office

Suite 301, 155 University Avenue
Toronto, Ontario M5H 3B7, Canada
T: +1 416 361 6196
F: +1 416 361 9131

Senegal Office

Rue 26, N'Gor
Dakar, Senegal
T: +221 338 693 181
F: +221 338 603 683

Auditor

Deloitte Touche Tohmatsu

Share Registries

Australia: Computershare Investor Services Pty Ltd
T: 1300 850 505
Canada: Computershare Trust Company of Canada
T: +1 800 564 6253

Stock Exchange Listings

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

Share Capital

Ordinary Shares = 563,375,950
Unlisted options = 45,600,000

For further information please contact:

Jeff Williams, Managing Director
T: +61 3 9909 7633 | E: jeff.williams@mineraldeposits.com.au

Rick Sharp, Chief Financial Officer
T: +61 3 9909 7689 | E: rick.sharp@mineraldeposits.com.au

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 80 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 report, 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 report 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" 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 report.