



**Mineral Deposits Limited**

ABN 19 064 377 420

**Consolidated Interim Financial Statements**  
for the three months and nine months ended 31 March 2009

*Expressed in Australian dollars unless otherwise stated*

# MINERAL DEPOSITS LIMITED

ABN 19 064 377 420

AND CONTROLLED ENTITIES

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*This report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report should be read in conjunction with the annual report of Mineral Deposits Limited for the year ended 30 June 2008. It is also recommended that this financial report be considered together with any public announcement made by Mineral Deposits Limited and its controlled entities during the period ended 31 March 2009, in accordance with the continuous disclosure requirements of the Corporations Act 2001, including the half-year financial report as at 31 December 2008 and quarterly reports lodged with the Australian Securities Exchange ("ASX") and Toronto Stock Exchange ("TSX").*

**MINERAL DEPOSITS LIMITED**

ABN 19 064 377 420

AND CONTROLLED ENTITIES

**CONSOLIDATED INTERIM INCOME STATEMENT**

FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008

(UNAUDITED)

	Note	Three months ended 31 March		Nine months ended 31 March	
		2009 \$	2008 \$	2009 \$	2008 \$
Revenue	3	5,023,115	-	5,023,115	-
Cost of sales		(7,190,366)	-	(7,190,366)	-
<b>Gross loss</b>		(2,167,251)	-	(2,167,251)	-
Other income	3	81,965	371,091	93,603,179	2,308,865
Administration expenses		(3,605,281)	(4,767,535)	(9,965,652)	(11,887,619)
Finance costs		(931,918)	-	(931,918)	-
Disposal of non-current assets		-	(383)	-	(13,433)
Loss on disposal on financial assets		-	-	(190,020)	-
Fair value loss on financial assets		-	-	(204,304)	-
Net foreign exchange losses		(6,846,778)	(3,402,499)	(20,339,288)	(1,592,677)
Gold hedge unrealised losses		(30,062,906)	-	(52,081,718)	-
Oil hedge unrealised losses		(1,275,088)	-	(2,531,472)	-
<b>Profit/(loss) before tax</b>		(44,807,257)	(7,799,326)	5,191,556	(11,184,864)
Income tax expense		(928,121)	-	(940,746)	(55,251)
<b>Profit/(loss) for the period</b>		<u>(45,735,378)</u>	<u>(7,799,326)</u>	<u>4,250,810</u>	<u>(11,240,115)</u>
Attributable to:					
Equity holders of the parent		(41,160,167)	(7,799,326)	1,491,632	(11,240,115)
Minority interest		(4,575,211)	-	2,759,178	-
		<u>(45,735,378)</u>	<u>(7,799,326)</u>	<u>4,250,810</u>	<u>(11,240,115)</u>
<b>Earnings per share</b>					
Basic earnings per share (cents)		(9.45)	(2.02)	0.30	(2.91)
Diluted earnings per share (cents)		(9.45)	(2.02)	0.31	(2.91)

Notes to the financial statements are included on pages 5 to 14.

**MINERAL DEPOSITS LIMITED**

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AND CONTROLLED ENTITIES

**CONSOLIDATED INTERIM BALANCE SHEET**

AS AT 31 MARCH 2009 AND 30 JUNE 2008

(UNAUDITED)

	Note	31 Mar 2009 \$	30 June 2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		17,893,445	45,997,029
Trade and other receivables		6,365,860	1,197,443
Other financial assets		299,156	922,300
Inventories	4	49,723,163	758,578
Other		1,226,907	649,691
<b>TOTAL CURRENT ASSETS</b>		<b>75,508,531</b>	<b>49,525,041</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	324,741,847	205,984,734
Exploration and evaluation expenditure	6	84,520,763	62,954,992
Mine development expenditure	7	170,321,777	99,507,644
Capitalised mining convention and concession costs		25,201,131	25,322,223
Other financial assets		62,596	-
Other intangible assets		278,728	317,311
<b>TOTAL NON-CURRENT ASSETS</b>		<b>605,126,842</b>	<b>394,086,904</b>
<b>TOTAL ASSETS</b>		<b>680,635,373</b>	<b>443,611,945</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		40,074,078	42,751,767
Borrowings	8	33,247,668	32,693,220
Other financial liabilities	9	14,133,073	-
Current tax payable		929,527	33,351
Provisions		13,164,301	2,249,258
<b>TOTAL CURRENT LIABILITIES</b>		<b>101,548,647</b>	<b>77,727,596</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	8	51,747,285	-
Other financial liabilities	9	39,647,414	-
Provisions		17,026	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>91,411,725</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>192,960,372</b>	<b>77,727,596</b>
<b>NET ASSETS</b>		<b>487,675,001</b>	<b>365,884,349</b>
<b>EQUITY</b>			
Issued capital	10	458,080,825	420,664,054
Reserves		86,754,322	6,632,409
Accumulated losses		(59,925,624)	(61,417,256)
Equity attributable to equity holders of the parent		484,909,523	365,879,207
Minority interest		2,765,478	5,142
<b>TOTAL EQUITY</b>		<b>487,675,001</b>	<b>365,884,349</b>

*Notes to the financial statements are included on pages 5 to 14.*

**MINERAL DEPOSITS LIMITED**

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AND CONTROLLED ENTITIES

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

FOR THE NINE MONTHS ENDED 31 MARCH 2009 AND 2008

(UNAUDITED)

	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Investments Revaluation Reserve \$	Equity-Settled Share-Based Payments Reserve \$	Attributable to Equity Holders of the Parent \$	Minority Interest \$	Total \$
<b>Consolidated</b>								
<b>Balance at 1 July 2007</b>	234,115,062	(52,388,292)	14,705	-	1,605,795	183,347,270	-	183,347,270
Loss attributable to members of the consolidated entity	-	(11,240,115)	-	-	-	(11,240,115)	-	(11,240,115)
Reserves increment/(decrement)	-	-	(3,654,367)	(133,185)	-	(3,787,552)	-	(3,787,552)
Total recognised income and expenses	-	(11,240,115)	(3,654,367)	(133,185)	-	(15,027,667)	-	(15,027,667)
Issue of options to directors and employees	-	-	-	-	1,291,275	1,291,275	-	1,291,275
Shares issued during the period	150,170,000	-	-	-	-	150,170,000	-	150,170,000
Share issue costs	(8,649,123)	-	-	-	-	(8,649,123)	-	(8,649,123)
<b>Balance at 31 March 2008</b>	<b>375,635,939</b>	<b>(63,628,407)</b>	<b>(3,639,662)</b>	<b>(133,185)</b>	<b>2,897,070</b>	<b>311,131,755</b>	<b>-</b>	<b>311,131,755</b>
<b>Balance at 1 July 2008</b>	420,664,054	(61,417,256)	(2,055,661)	(68,280)	8,756,350	365,879,207	5,142	365,884,349
Profit attributable to members of the consolidated entity	-	1,491,632	-	-	-	1,491,632	2,759,178	4,250,810
Reserves increment/(decrement)	-	-	76,672,245	-	-	76,672,245	1,158	76,673,403
Total recognised income and expenses	-	1,491,632	76,672,245	-	-	78,163,877	2,760,336	80,924,213
Loss on available-for-sale investments	-	-	-	68,280	-	68,280	-	68,280
Issue of options to directors and employees	-	-	-	-	1,628,900	1,628,900	-	1,628,900
Issue of options to financiers	-	-	-	-	1,752,488	1,752,488	-	1,752,488
Shares issued during the period	39,682,000	-	-	-	-	39,682,000	-	39,682,000
Share issue costs	(2,265,229)	-	-	-	-	(2,265,229)	-	(2,265,229)
<b>Balance at 31 March 2009</b>	<b>458,080,825</b>	<b>(59,925,624)</b>	<b>74,616,584</b>	<b>-</b>	<b>12,137,738</b>	<b>484,909,523</b>	<b>2,765,478</b>	<b>487,675,001</b>

Notes to the financial statements are included on pages 5 to 14.

**MINERAL DEPOSITS LIMITED**

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**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008  
(UNAUDITED)**

	Three months ended 31 March		Nine months ended 31 March	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	111,211	69,229	386,495	350,577
Payments to suppliers and employees	(19,647,477)	(2,060,864)	(36,470,675)	(8,513,896)
Interest received	23,956	296,912	421,906	2,093,579
Interest and other costs of finance paid	(850,223)	-	(850,223)	-
Receipt from close out of gold derivatives	-	-	93,503,167	-
Income tax paid	(44,569)	-	(44,569)	-
Net cash provided by (used in) operating activities	(20,407,102)	(1,694,723)	56,946,101	(6,069,740)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for capitalised exploration and development expenditure	(6,953,505)	(23,615,358)	(55,010,540)	(67,204,882)
Payments for construction costs	(6,414,093)	-	(77,638,643)	-
Payments for property, plant and equipment	(710,694)	(25,946,883)	(11,955,682)	(97,300,836)
Payments for capitalised mining convention/concession costs	-	(1,595,920)	-	(6,115,711)
Payments for other intangible assets	(56,762)	-	(84,221)	-
Payments for investment securities	-	-	-	(1,985,860)
Proceeds from sale of property, plant & equipment	-	-	14,367	42,543
Proceeds from sale of investment securities	-	-	297,100	-
Interest paid – capitalised borrowing costs	(291,816)	-	(2,583,296)	-
Advances to joint venture	(12,122)	-	(12,122)	-
Net cash (used in) investing activities	(14,438,992)	(51,158,161)	(146,973,037)	(172,564,746)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of equity securities	39,432,000	-	39,682,000	150,170,000
Payment for share issue costs	(2,209,495)	(885,176)	(2,863,123)	(8,649,123)
Proceeds from monies held in trust	150	1,597	2,631	4,818
Proceeds from borrowings	19,660,568	-	124,239,770	-
Repayment of borrowings	(50,420,984)	-	(92,334,504)	-
Payment for debt issue costs	-	-	(3,776,427)	-
Net cash provided by (used in) financing activities	6,462,239	(883,579)	64,950,347	141,525,695
<b>Net increase/(decrease) in cash and cash equivalents held</b>	(28,383,855)	(53,736,463)	(25,076,589)	(37,108,791)
Cash and cash equivalents at the beginning of the period	48,015,143	66,567,487	45,363,816	48,129,994
Effect of exchange rates on cash holdings in foreign currencies	(1,737,843)	(3,402,498)	(2,393,782)	(1,592,677)
<b>Cash and cash equivalents at the end of the period</b>	<b>17,893,445</b>	<b>9,428,526</b>	<b>17,893,445</b>	<b>9,428,526</b>

*Notes to the financial statements are included on pages 5 to 14.*

## MINERAL DEPOSITS LIMITED

ABN 19 064 377 420

AND CONTROLLED ENTITIES

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### CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008 (UNAUDITED)

#### 1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

##### Reporting Entity

Mineral Deposits Limited ("MDL" or the "company") is a company domiciled in Australia. The consolidated interim financial statements of the company as at and for the nine months ended 31 March 2009 comprise the company and its subsidiaries (together referred to as the "consolidated entity").

A copy of the company's Annual Report as at and for the year ended 30 June 2008 is available upon request from the company's registered office at Level 7, 530 Little Collins Street, Melbourne, Victoria 3000, Australia or at [www.mineraldeposits.com.au](http://www.mineraldeposits.com.au).

##### Statement of Compliance

The unaudited consolidated interim financial statements are a general purpose financial report prepared in accordance with AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with the International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. The financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report. These unaudited consolidated interim financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

##### Basis of Preparation

The consolidated interim financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial assets. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

##### *Going concern*

The group has recorded a net profit of \$4,250,810 before minority interest for the nine months ended 31 March 2009 and net cash inflows from operating activities of \$56,946,101, capital expenditure commitments of \$15,640,892 and has cash reserves of \$17,893,445 at 31 March 2009. The group has a net current asset deficiency of \$26,040,116 at 31 March 2009.

These financial statements have therefore been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

To continue as a going concern, the consolidated entity requires:

- the most recently prepared cash flow forecast produced by management and reviewed by the directors which indicates the company and consolidated entity will generate sufficient funds from operating activities to meet its requirements; and/or
- the continued support of its bankers, creditors and major shareholders.

The directors believe the going concern basis of preparation to be appropriate given that management's forecast sales from gold production and subsequent net cash inflows are estimated to be sufficient to meet operating costs and service the Macquarie Bank Limited ("MBL") Project Finance Facility. US\$41 million of the US\$52 million MBL Project Finance Facility was drawn as at 31 March 2009 of which US\$15.5 million is required to be repaid by 31 March 2010.

Having carefully assessed the consolidated entity's ability to effectively manage its expenditure and cash flow from operations, the directors believe that the consolidated entity will continue to operate as a going concern for the foreseeable future and therefore it is appropriate to prepare the financial statements on a going concern basis.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2008 Annual Report for the financial year ended 30 June 2008.

**MINERAL DEPOSITS LIMITED**

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AND CONTROLLED ENTITIES

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**CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008

(UNAUDITED)

**Estimates**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may therefore differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were largely the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2008.

**Financial Risk Management**

The group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 30 June 2008.

**MINERAL DEPOSITS LIMITED**

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**CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008

(UNAUDITED)

**2. SEGMENT INFORMATION**

The affairs of the company can be separated into mineral sands and gold activities respectively. Mineral sands activities incorporate the closure of the Hawks Nest operations and ongoing rehabilitation works carried out by the company in that region and its exploration activities in Senegal in relation to the Grande Côte Zircon & Ilmenite Project. Gold activities incorporate the company's exploration, development and production activities in Senegal at Sabodala and regional exploration work in the Sabodala area.

	Mineral sands activities		Gold activities		Consolidated	
	Three months ended		Three months ended		Three months ended	
	31 March		31 March		31 March	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
<b>Revenue:</b>						
Sales to customers outside the group	-	-	5,023,115	-	5,023,115	-
Other revenue	-	9,963	14,569	1,639	14,569	11,602
Unallocated revenue					67,396	359,489
<b>Total revenue</b>					<b>5,105,080</b>	<b>371,091</b>
<b>Results:</b>						
Segment result	(30,613)	(492,070)	(42,610,166)	(1,255,457)	(42,640,779)	(1,747,527)
Unallocated expenses net of unallocated revenue					(2,166,478)	(6,051,799)
Loss from ordinary activities before income tax expense					(44,807,257)	(7,799,326)
Income tax expense					(928,121)	-
<b>Net loss</b>					<b>(45,735,378)</b>	<b>(7,799,326)</b>
<b>Assets:</b>						
	Mineral sands activities		Gold activities		Consolidated	
	Period ended		Period ended		Period ended	
	31 Mar 2009	30 June 2008	31 Mar 2009	30 June 2008	31 Mar 2009	30 June 2008
	\$	\$	\$	\$	\$	\$
Segment assets	126,536,922	92,635,723	542,817,645	300,509,075	669,354,567	393,144,798
Unallocated assets					11,280,806	50,467,147
<b>Total assets</b>					<b>680,635,373</b>	<b>443,611,945</b>
<b>Liabilities:</b>						
Segment liabilities	2,129,922	1,935,665	188,745,296	36,730,122	190,875,218	38,665,787
Unallocated liabilities					2,085,154	39,061,809
<b>Total liabilities</b>					<b>192,960,372</b>	<b>77,727,596</b>

**MINERAL DEPOSITS LIMITED**

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**CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008  
(UNAUDITED)****3. RESULTS FOR THE PERIOD**

	Three months ended 31 March		Nine months ended 31 March	
	2009 \$	2008 \$	2009 \$	2008 \$
The following items are relevant in explaining the financial result:				
Sales revenue - gold	5,023,115	-	5,023,115	-
Interest revenue - bank	38,752	292,170	409,333	2,097,419
Other revenue:				
- rental received	23,706	23,428	57,891	68,915
- other	19,507	55,493	99,428	99,988
Gain from sale of fixed assets	-	-	-	42,543
Proceeds from closed hedge book:				
- gold flat forwards	-	-	20,759,393	-
- gold put options	-	-	72,277,134	-
	<u>81,965</u>	<u>371,091</u>	<u>93,603,179</u>	<u>2,308,865</u>
Cost of sales:				
- mine production costs	7,785,004	-	7,785,004	-
- depreciation and amortisation	2,050,932	-	2,050,932	-
- royalty	146,046	-	146,046	-
- inventory movements	(2,791,616)	-	(2,791,616)	-
	<u>7,190,366</u>	<u>-</u>	<u>7,190,366</u>	<u>-</u>
Charging as administration expenses:				
- depreciation of non-current assets	187,536	449,399	356,196	1,011,037
- amortisation of intangible assets	121,287	39,797	143,616	70,280
Employee benefits:				
- equity settled share based payments	542,967	652,380	1,628,900	1,291,275
- provision for leave entitlements	324,016	216,858	359,163	535,402
- post employment benefits	130,293	136,135	503,117	606,381

**4. INVENTORIES**

	31 Mar 2009 \$	30 June 2008 \$
Work in progress - ore	30,493,289	-
Gold in circuit	2,989,215	-
Diesel fuel	2,982,393	226,282
Stores inventories	12,934,137	532,296
Goods in transit	324,129	-
	<u>49,723,163</u>	<u>758,578</u>

**MINERAL DEPOSITS LIMITED**

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**CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008  
(UNAUDITED)****5. PROPERTY, PLANT AND EQUIPMENT**

	31 Mar 2009 \$	30 June 2008 \$
Carrying amounts of each class:		
Land, buildings and property improvement	988,300	937,147
Plant and equipment	8,100,917	34,661,714
Office furniture	462,530	375,759
Computer equipment	912,510	303,324
Other assets	19,065	17,650
Motor vehicles	2,065,553	2,001,589
Mine Processing plant	281,196,530	164,946,827
Capital works in progress	5,007,642	1,348,463
Camp construction	1,571,430	1,392,261
Plant and equipment under lease	24,417,370	-
	<u>324,741,847</u>	<u>205,984,734</u>

**6. EXPLORATION AND EVALUATION EXPENDITURE**

	31 Mar 2009 \$	30 June 2008 \$
Costs carried forward in respect of areas of interest at cost	62,954,992	109,245,974
Transferred to mine development expenditure	-	(66,199,833)
Transferred to construction	-	(105,047,428)
Expenditure incurred during the period	7,392,462	122,294,200
Net foreign currency exchange differences	14,173,309	2,662,079
	<u>84,520,763</u>	<u>62,954,992</u>

**7. MINE DEVELOPMENT EXPENDITURE**

	31 Mar 2008 \$	30 June 2008 \$
Costs carried forward in respect of areas of interest at cost	99,507,644	-
Transferred from exploration and evaluation expenditure	-	66,199,833
Expenditure incurred during the period	49,836,447	31,750,960
Amortisation expense	(1,424,868)	-
Net foreign currency exchange differences	22,402,554	1,556,851
	<u>170,321,777</u>	<u>99,507,644</u>

**MINERAL DEPOSITS LIMITED**

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AND CONTROLLED ENTITIES

**CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008  
(UNAUDITED)****8. BORROWINGS**

	31 Mar 2009 \$	30 June 2008 \$
<b>(a) Current</b>		
<i>Unsecured – at amortised cost</i>		
Bank overdraft	-	633,212
<i>Secured – at amortised cost</i>		
Working Capital Facility (i)	-	32,060,008
Project Finance Facility (ii)	20,909,214	-
Finance lease liabilities (iii)	12,338,454	-
	<u>33,247,668</u>	<u>32,693,220</u>
<b>(b) Non-Current</b>		
<i>Secured – at amortised cost</i>		
Project Finance Facility (ii)	36,324,217	-
Finance lease liabilities (iii)	15,423,068	-
	<u>51,747,285</u>	<u>-</u>

(i) The Working Capital Facility provided by RMB Australia Holdings Limited and MBL was repaid in full by 31 March 2009. Interest was payable based on LIBOR plus 3% per annum up to 31 December 2008. Interest from 1 January 2009 was calculated using LIBOR plus 4.2% per annum and was payable at maturity.

(ii) The Project Finance Facility was drawn down to US\$41 million at period end, with a facility limit of US\$52 million. This facility is progressively to be paid down by 30 September 2012, with US\$15.5 million required to be repaid by 31 March 2010. This facility was provided to and the funds drawn down by MDL's 90%-owned subsidiary Sabodala Gold Operations SA ("SGO").

As at 31 December 2008, certain conditions precedent and conditions subsequent relating to this facility had not been complied with. Fulfilling these conditions had been waived on 10 December 2008 through 31 December 2008, with a further letter provided by MBL on 4 February 2009 extending the waiver up to 28 February 2009. As at balance date, SGO was in breach of the condition requiring approval to draw water from the Faleme River for use at the Sabodala mine to be in place. Subsequent to balance date, however, approvals were received from the relevant authority that satisfied this requirement.

The remaining conditions are being progressively satisfied by SGO with only three conditions outstanding in the latest letter of waiver provided post period-end.

There have been no indications that MBL will stop SGO from drawing down additional funds under its facility and it is expected that by the next reporting date the facility will be able to be classified as a non-current liability as all of the conditions will have been satisfied.

The facility is secured by a fixed and floating charge over substantially all of the company's gold assets.

(iii) On 18 November 2008, MDL's subsidiary SGML (Capital) Limited entered into a sale and leaseback agreement with Societe Generale Australia over its mining fleet for US\$23.2 million, of which US\$18.9 million was outstanding at 31 March 2009. The lease contract expires 30 June 2011 with principal and interest payable quarterly in arrears. Interest is calculated using LIBOR plus 2.2% per annum. The lease is secured by the assets financed.

**MINERAL DEPOSITS LIMITED**

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AND CONTROLLED ENTITIES

**CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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(UNAUDITED)**
**9. OTHER FINANCIAL LIABILITIES**

	31 Mar 2009 \$	30 June 2008 \$
<b>(a) Current</b>		
Gold flat forwards (unrealised revaluation)	12,518,817	-
Oil hedge (unrealised revaluation)	1,614,256	-
	<u>14,133,073</u>	<u>-</u>
<b>(b) Non-Current</b>		
Gold flat forwards (unrealised revaluation)	38,709,102	-
Oil hedge (unrealised revaluation)	938,312	-
	<u>39,647,414</u>	<u>-</u>

**10. ISSUED CAPITAL**

	31 Mar 2009 No.	31 Mar 2009 \$	30 June 2008 No.	30 June 2008 \$
<b>(a) Fully paid ordinary shares</b>				
548,219,234 fully paid ordinary shares (30 June 2008 – 483,619,234)	548,219,234	458,080,825	483,619,234	420,664,054
At the beginning of the period	483,619,234	420,664,054	300,119,234	234,115,062
Shares issued during the period:				
- 11 July 2007	-	-	44,898,630	56,123,288
- 9 August 2007	-	-	30,101,370	37,626,713
- 20 December 2007	-	-	45,500,000	56,420,000
- 27 June 2008	-	-	63,000,000	48,510,000
- 4 December 2008 – options converted	1,000,000	250,000	-	-
- 31 March 2009	63,600,000	39,432,000	-	-
Transaction costs relating to issue	-	(2,265,229)	-	(12,131,009)
Total for the period	<u>64,600,000</u>	<u>37,416,771</u>	<u>183,500,000</u>	<u>186,548,992</u>
At the end of the period	<u>548,219,234</u>	<u>458,080,825</u>	<u>483,619,234</u>	<u>420,664,054</u>

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised capital and issued shares do not have a par value.

Fully paid ordinary shares carry one vote per share and a right to dividends.

During the exercisable period, 1,000,000 ordinary shares were issued to a director following the exercise of share options (MDLAI) at an exercise price of \$0.25.

On 31 March 2009, the company successfully completed the private placement of 63.6 million new ordinary shares at an issue price of Cdn\$0.52 per share (equivalent to A\$0.62 per share) raising a total of Cdn\$33.1 million (equivalent to A\$39.4 million). The private placement was limited to a number of Canadian institutions, with the raising managed by Toll Cross Securities Inc. and Cormack Securities Inc.

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**CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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(UNAUDITED)****(b) Share Options**

As at 31 March 2009, the following unissued ordinary shares of the company under option were outstanding:

ASX Code	Issue Date	Expiry Date	Exercise Price \$	No.
MDLAK	1 December 2004	1 December 2009	0.33	5,000,000
MDLAM	31 December 2004	2 January 2010	0.45	285,000
MDLAO	10 March 2005	10 March 2010	0.65	500,000
MDLAQ	23 November 2005	23 November 2010	0.85	500,000
MDLAZ	10 April 2008	10 April 2011	1.40	10,000,000
MDLAS	1 May 2006	1 May 2011	2.00	1,000,000
MDLAU	19 July 2007	18 July 2012	1.60	2,450,000
MDLAW	29 November 2007	29 November 2012	1.60	6,500,000
MDLAY	5 December 2007	5 December 2012	1.60	1,000,000
MDLAA	1 July 2008	1 July 2011	1.40	10,000,000
MDLAI	2 January 2009	1 January 2012	0.69	9,000,000
				<u>46,235,000</u>

The following unlisted options were issued during the reporting period:

MDLAI	2 January 2009	1 January 2012	0.69	<u>9,000,000</u>
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On 2 January 2009, 9,000,000 options (MDLAI) were granted to RMB Australia Holdings Limited and Macquarie Bank Limited, split 50/50, at an exercise price of \$0.69 and an expiry date of 1 January 2012. These options were issued pursuant to the terms of the Working Capital Facility between the company and its financiers paid out on 31 March 2009.

The following unlisted options were cancelled during the reporting period:

MDLAU	19 July 2007	18 July 2012	1.60	<u>200,000</u>
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200,000 options were cancelled during the reporting due to employee terminations.

There were no other movements in the ordinary share capital or other securities of the company in the current reporting period.

**11. DIVIDENDS**

During the period, no dividends were paid. The directors have not recommended the payment of a dividend.

## MINERAL DEPOSITS LIMITED

ABN 19 064 377 420

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### CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008 (UNAUDITED)

#### 12. COMMITMENT TO EXPENDITURE

##### (a) Capital Expenditure Commitments

Contracted but not provided for and payable within one year:

	31 Mar 2009 \$	30 June 2008 \$
Grande Côte Zircon & Ilmenite Project	642,072	1,229,262
Sabodala Gold Mine	14,998,820	29,560,779
	<u>15,640,892</u>	<u>30,790,041</u>

##### (b) Exploration Commitments

The company has minimum exploration commitments of US\$1.5 million payable within one year in respect of its Sabodala regional exploration programmes.

##### (c) Sabodala Operating Commitments

The company faces commitments in respect of Sabodala. The company has agreed that the following amounts will be payable within one year:

- US\$425,000 per annum on social development of local authorities in the surrounding Tambacounda region during the term of the Mining Convention;
- US\$30,000 per year for logistical support of the territorial administration of the region from date of notification of the Mining Concession; and
- US\$200,000 per year of production on training of Directorate of Mines and Geology ("DMG") officers.

#### 13. SUBSEQUENT EVENTS

##### Share Purchase Plan

The company has undertaken a Share Purchase Plan ("SPP") to be applied for working capital purposes. The record date for the SPP was 27 March 2009 and eligible shareholders were entitled to apply for a minimum of \$1,000 up to a maximum of \$10,000 worth of MDL shares at an issue price of \$0.62 per share. The issue price represented a discount of 8.8% on the 27 March 2009 ASX closing price. The closing date of the SPP was extended to 13 May 2009 due to technical reasons.

No securities had been issued under the SPP at the date of this report but the expected date of allotment is 18 May 2009.

The securities to be issued under the SPP will be fully paid ordinary shares ranking equally with all other issued ordinary shares.

## MINERAL DEPOSITS LIMITED

ABN 19 064 377 420

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### CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2009 AND 2008 (UNAUDITED)

#### 14. CONTINGENT LIABILITIES

- (a) The company faces potential contingent liabilities in relation to its rehabilitation obligations on its New South Wales ("NSW") exploration and mining tenements. The nature of these rehabilitation obligations includes revegetation. Some aspects of the rehabilitation obligations extend for a period in excess of 10 years after the cessation of previous mining activities. Ongoing rehabilitation work therefore continued at Mineral Deposits (Operations) Pty Ltd's former mining sites in NSW, Australia. No adverse situations were reported and work continued to schedule.
- (b) There are no outstanding native title claims against the company which could or would have a financial impact.
- (c) The company faces potential liabilities in respect of the Grande Côte project. The company has agreed that the following amounts will be payable if the project proceeds to production:
- A\$500,000 within 30 days of completion of a bankable feasibility study for the project and on securing all the necessary funding either by debt or equity from an internationally recognised banking or financial institution to develop the project;
  - A\$500,000 within 30 days of receipt by (the successor to) MDL Senegal SUARL, a subsidiary of MDL, of the first payment for a commercial arm's-length sale of product from the project;
  - US\$150,000 per annum on social development of local communities in the Grande Côte and surrounding region during the term of the Mining Concession; and
  - US\$50,000 per year of production on training of DMG officers and logistical support to the technical services of the Ministry for Mines.
- (d) The company entered into a deed of cross guarantee with its wholly-owned subsidiaries MDL (Mining) Limited and MDL Gold Limited.
- (e) The company confirmed directly or via its holding subsidiaries that it will continue to provide financial support to its subsidiaries to enable them to meet their obligations as they fall due for a period of not less than 12 months.

The directors are not aware of any other contingent liabilities at 31 March 2009.

#### 15. ACQUISITIONS AND DISPOSALS

There were no subsidiaries acquired or disposed of during the period ended 31 March 2009.

## MINERAL DEPOSITS LIMITED

ABN 19 064 377 420

AND CONTROLLED ENTITIES

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### CORPORATE DIRECTORY

#### DIRECTORS

Nicholas J Limb (executive chairman)  
Jeffrey W Williams (managing)  
Martin C Ackland (executive)  
Clever G da Fonseca (executive)  
David J Isles (non-executive)  
Robert V Danchin (non-executive)  
Oliver Lennox-King (non-executive)

#### COMPANY SECRETARY

Melvyn J Drummond

#### REGISTERED OFFICE

Level 7 Exchange Tower  
530 Little Collins Street  
Melbourne, Victoria 3000  
Australia

Telephone: +61 3 9909 7633

Facsimile: +61 3 9621 1460

E-mail: [mdlmail@mineraldeposits.com.au](mailto:mdlmail@mineraldeposits.com.au)

Website: [www.mineraldeposits.com.au](http://www.mineraldeposits.com.au)

#### TORONTO OFFICE

Suite 300  
155 University Avenue  
Toronto, Ontario M5H 3B7  
Canada

Telephone: +1 416 361 6196

Facsimile: +1 416 361 9131

#### SENEGAL OFFICE

Rue 26, N'Gor  
Dakar  
Senegal

Telephone: +221 338 693 181

Facsimile: +221 338 603 683

#### SHARE REGISTRIES

Computershare Investor Services Pty Ltd  
452 Johnston Street  
Abbotsford, Victoria 3067  
Australia

Telephone: 1300 850 505

Facsimile: +61 3 9473 2500

Computershare Trust Company of Canada  
100 University Avenue, 9th Floor  
Toronto, Ontario M5J 2Y1  
Canada

Telephone: 1 800 564 6253

Facsimile: +1 416 981 9800

#### TAX AGENTS AND ADVISERS

Deloitte Growth Solutions Pty Ltd  
QV Building  
180 Lonsdale Street  
Melbourne, Victoria 3000  
Australia

#### AUDITOR

Deloitte Touche Tohmatsu  
QV Building  
180 Lonsdale Street  
Melbourne, Victoria 3000  
Australia

#### SOLICITORS

Minter Ellison  
Level 23, 525 Collins Street  
Melbourne, Victoria 3000  
Australia

#### BANKERS

Westpac Banking Corporation  
360 Collins Street  
Melbourne, Victoria 3000  
Australia

Macquarie Bank Limited  
1 Martin Place  
Sydney, New South Wales 2000  
Australia

Société Générale de Banques au Sénégal  
19 avenue Léopold  
Sédar Senghor, BP 323  
Dakar  
Senegal

#### HOME EXCHANGES

Australian Securities Exchange  
Level 45, South Tower  
Rialto  
525 Collins Street  
Melbourne, Victoria 3000  
Australia

**Trading Code:** MDL

Toronto Stock Exchange  
The Exchange Tower, 3rd Floor  
130 King Street West  
Toronto, Ontario M5X 1J2  
Canada

**Trading Code:** MDM