

SENEGAL PROJECTS



COMPANY PROFILE

Mineral Deposits Limited (MDL) is an Australian company with a history in mineral sands mining, process technology and marketing that can be traced back for over 60 years. During that time the company has successfully mined many different beach sand locations, producing high quality zircon and rutile, along the environmentally sensitive east coast of Australia.

MDL is now a diversified mineral resources company focussed on the development of its two significant projects in Senegal at Sabodala and Grande Côte into mining operations.



SENEGAL & THE MINING CODE

The capital of Senegal, Dakar, is found on the most westerly point of the coastline of Africa. The country is relatively small being 196,190 square kilometres in area. Senegal has a population of about 11.6 million people of which 94 percent are Muslim and five percent Christian (mostly Roman Catholic). French is the official language. Wolof is the main language spoken locally and there are 5 other regional languages spoken in Senegal.

Senegal gained its independence from France in 1960, after about 75 years of French rule. It is a stable, democratic republic under multiparty democratic rule based on the French civil law system. For this reason, Senegal is the location of choice of many foreign embassies and international banks as the headquarters for the West African region.

The new Senegalese Mining Code has many advantages for mining companies including the exemption for a minimum of seven years from company tax until recovery of all loans and exploration expenses and the opportunity to secure a 25 year Mining Concession.



SABODALA GOLD PROJECT

In September and November 2008, new resource and reserve estimates respectively were produced for the Sabodala Gold Project. The total mineral resource estimate now exceeds 3.5 million ounces. The Proven plus Probable Mineable Reserves total 24.3 million tonnes, grading 2.1 g/t Au for 1.63 million ounces of contained gold. Near mine drilling is continuing to expand the resource.

This project is located in southeast Senegal, in the Birimian age Kedougou-Kenieba Inlier, some 650 kilometres from the capital, Dakar.

The large-scale engineering and construction program for the main mine infrastructure has been a milestone achievement, as major plant is being commissioned ahead of full production in late February - early March 2009. In excess of 600,000 tonnes of ore has already been stockpiled on the ROM pad at the crusher.

In line with our strategy to grow by identifying new opportunities, the company holds a major ground position in the Sabodala district comprising seven regional gold exploration projects, covering an area of 1,770 square kilometres. Aeromagnetic data interpretation, mapping and sampling results has identified priority targets for drilling.



GRANDE CÔTE MINERAL SANDS PROJECT

In excess of 1,330 million tonnes of mineralised sand at a grade of 2% heavy mineral has been defined at the Grande Côte Mineral Sands Project, with potential for other deposits partially explored to further increase this resource.

The deposits consist of free flowing clean white sand accumulated in sand dunes behind the beach, up to 4 kilometres in width.

This world class mineral sand project is located about 80 kilometres northeast of the capital, Dakar on a coastal dunal system extending along the Senegalese coast for more than 70 kilometres within the company's mining concession of 445 square kilometres.

Mining will be by a floating cutter suction dredge and concentrator. The operation will treat up to 55 million tonnes per annum of sand over an estimated 25 year period to produce heavy mineral concentrate which will be transported to a nearby mineral separation plant to annually produce the final zircon product of around 85,000 tonnes. About 600,000 tonnes of ilmenite will also be extracted as part of the dredging operation.

