

## Grande Côte Mineral Sands Project

Significant further progress was made during the March quarter towards the development of the Grande Côte Mineral Sands Project ("Grande Côte" or the "Project"), located in Senegal, West Africa. On-site construction is expected to commence in the third quarter of this year.

Subject to finalisation of the financing arrangements for the Project (which is expected to be provided by both an equity raising and a debt facility), final board approval has now been given to commit to its development.

Discussions continued during the quarter with various parties in respect to potential offtake arrangements for the Project, with a particular focus on the ilmenite. Consideration is also being given to a partnership proposal.

Pre-construction activities undertaken during the quarter included:

- issuing the Engineering EPCM tender documents to selected parties derived from a prequalification process;
- issuing the dredge tender documents to prospective bidders;
- receipt of bids for provision of a dual fuel (heavy fuel oil / natural gas) power station;
- further optimisation studies in relation to the rail and port logistics which may result in increased upfront infrastructure costs but lower recurring operating costs;
- commencement of final works on the 60 tonne gearbox for the dredge cutter (which has been stored for the past three years);
- ongoing design optimisation of the deep water bores and lateral borefield;
- further development of the IT project control software and systems framework;
- commencement of the construction camp expansion and upgrade to accommodate 900 workers;
- the appointment of additional key staff including an Administration and Finance Manager, a Camp Superintendent, a Warehouse Superintendent and an IT Superintendent, as well as mechanical engineers and a further addition to the Social Team; and
- ongoing work on the Social and Environmental front.

## Corporate

In relation to providing part of the financing package for the Project, work continued during the quarter with a syndicate of Development Finance Institutions and Export Credit Agencies towards the potential establishment of a project financing facility. A range of other financing options are also under close consideration.

At 31 March 2011:

- Issued shares were 60,768,582
- Unlisted options were 1,720,000 (at an average exercise price of A\$11.68)
- Cash and cash equivalents were US\$54m
- Debt was zero
- 40 million shares were held in Teranga Gold Corporation (ASX: TGZ, TSX: TGZ) valued at US\$104m



## 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  
**Murray Grant**, Non-Executive Director

#### Senior Management

**Rick Sharp**, Chief Financial Officer  
**Kathryn Davies**, 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](mailto:mdlmail@mineraldeposits.com.au)  
W: [www.mineraldeposits.com.au](http://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**

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### About MDL

Mineral Deposits Limited (ASX: MDL; TSX: MDM), is a Melbourne, Australia based mining company developing the world class Grande Côte Mineral Sands Project in Senegal, West Africa.

Grande Côte is located on the coast of Senegal starting approximately 50 kilometres north of Dakar and extends northwards for more than 100 kilometres.

Over an expected mine life of at least 20 years, Grande Côte is anticipated to produce on average approximately 85 ktpa of zircon and 575 ktpa of ilmenite (and small amounts of rutile and leucosene), making it one of only a few major new projects globally that can take advantage of the significant supply deficit emerging in the mineral sands sector.

The large scale of the ore body, combined with the simplicity of its mining (as a result of the free-flowing sands with no overburden and minimal slimes), will make the Project top quartile on a revenue/cost basis.

On-site construction of the Project is expected to commence in the third quarter of 2011, and after a two year build, production is expected to commence late in 2013.

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.

### 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 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.