



**Mineral Deposits**

**GOLD MINING IN SENEGAL**

# 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 presentation.



# Corporate Snapshot

- ▶ ASX (MDL) and TSX (MDM) listed
- ▶ 606.5M shares
- ▶ A\$650M / US\$610M market capitalisation
- ▶ US\$20M cash / US\$29M debt
- ▶ 250K ozs hedged @ US\$846/oz – 2.5 years
- ▶ 75% institutional / 25% retail share register
- ▶ 15% of Oromin
- ▶ Gold demerger late 2010



# Senegal, West Africa



## Senegal:

- ▶ Successful democracy
- ▶ Stable political environment
- ▶ Small population (12.5m)
- ▶ Francophile
- ▶ World standard mining laws

**MDL's projects are of national significance – Sabodala is the country's first large gold mine**



# Mineral Deposits

## Company overview

### Two projects in Senegal, West Africa:

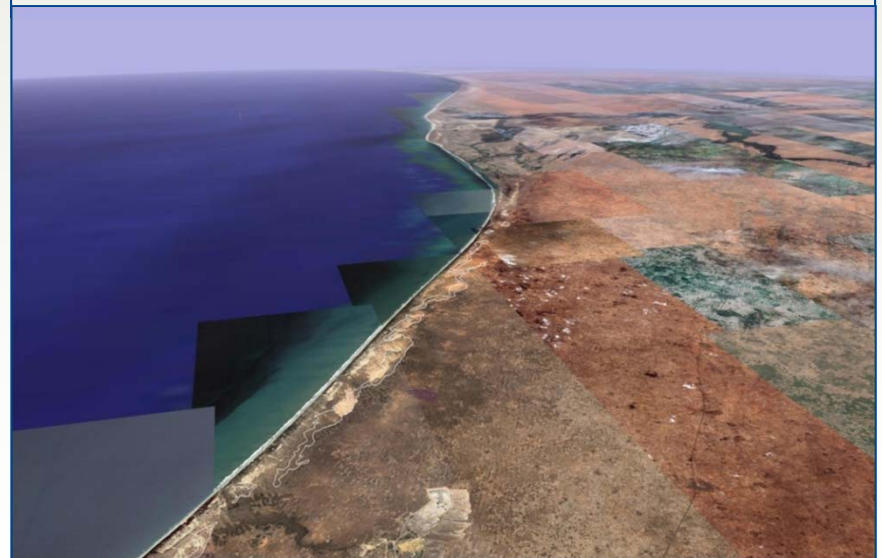
#### SABODALA Gold Operation

Strategically located at epicentre of a major new gold district



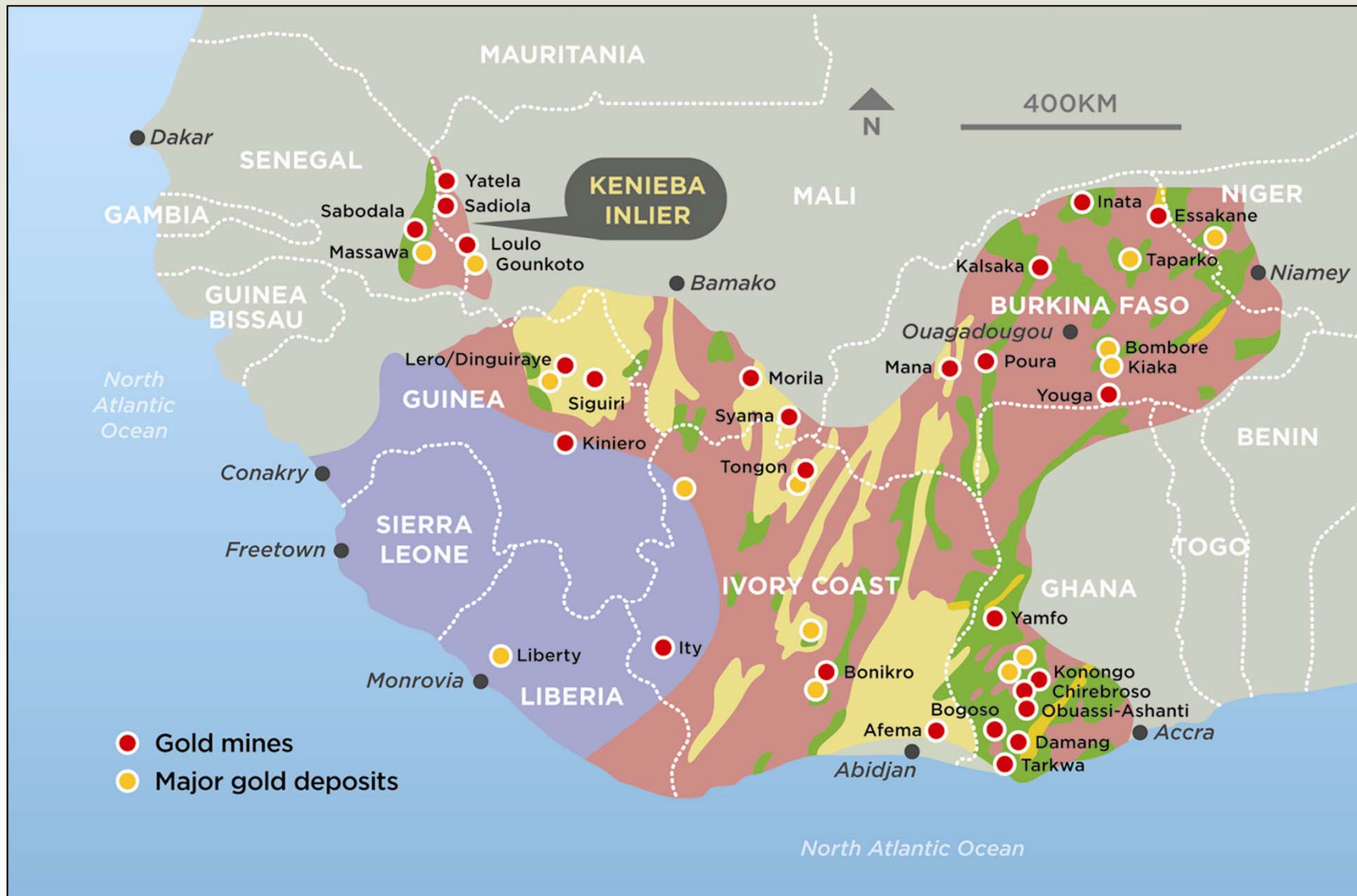
#### GRANDE CÔTE Mineral Sands Project

Development project with Tier 1 potential



# Sabodala Gold Operation

Positioned on one of the world's great gold belts





# Sabodala Gold Operation









# Sabodala Gold Operation

## Exceeded our expectations

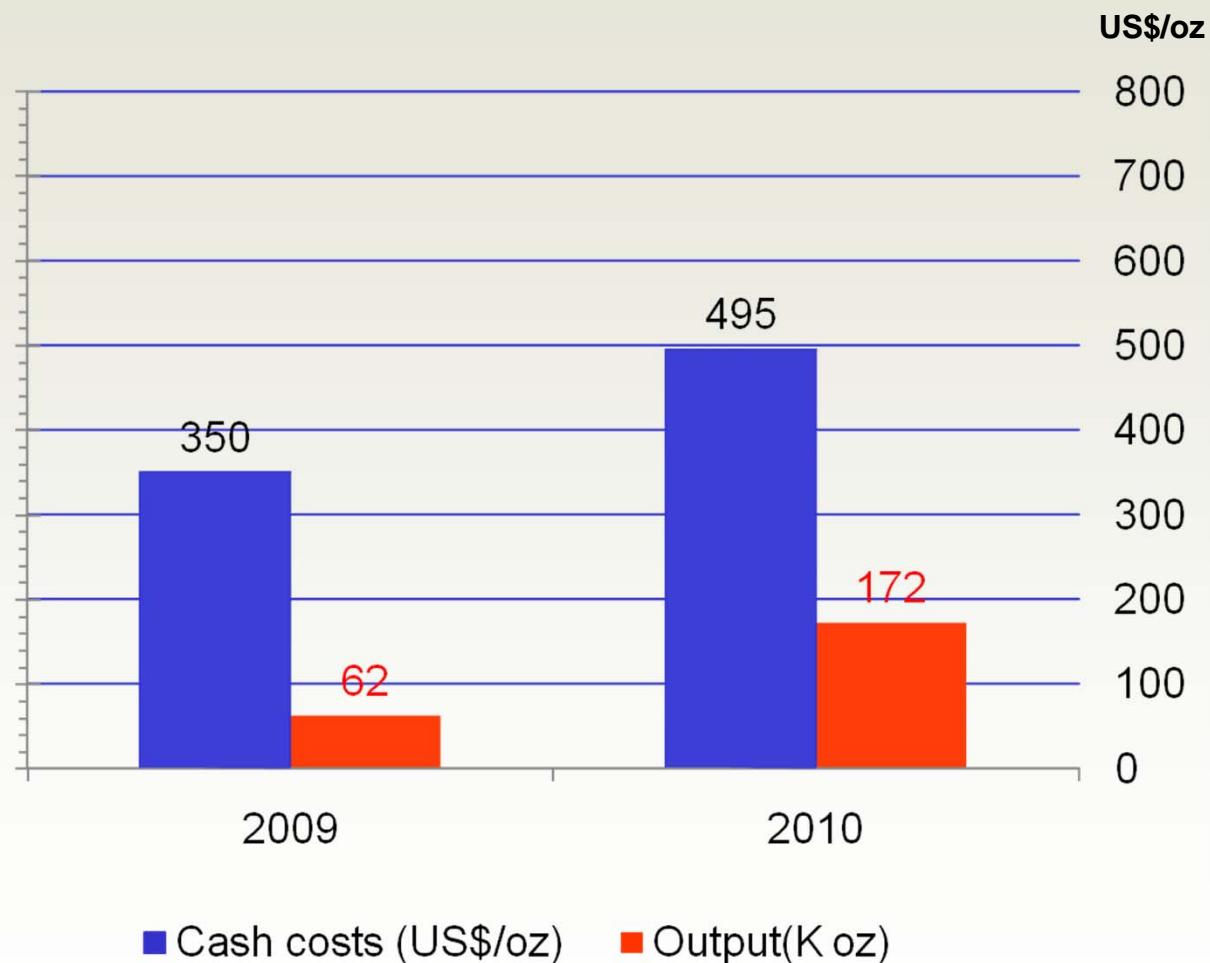


# Sabodala Gold Operation

We are building to plus 200,000 ounce per year

## Mine Expansion ...

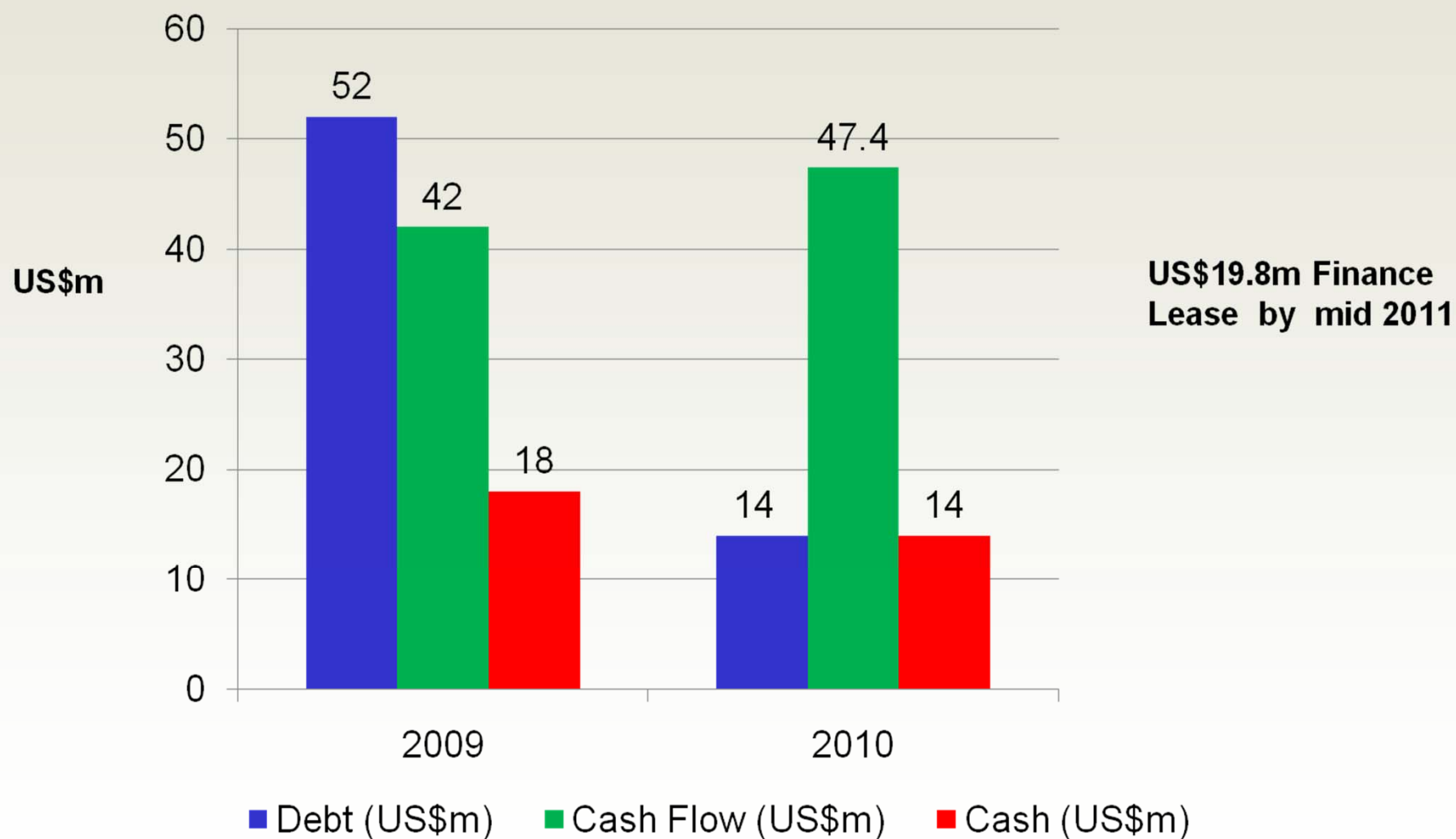
- ▶ Output/throughput above plan in 2010
- ▶ Expanded mine fleet now in place
- ▶ 4 Mtpa mill expansion
  - US\$50m
  - From cash flow





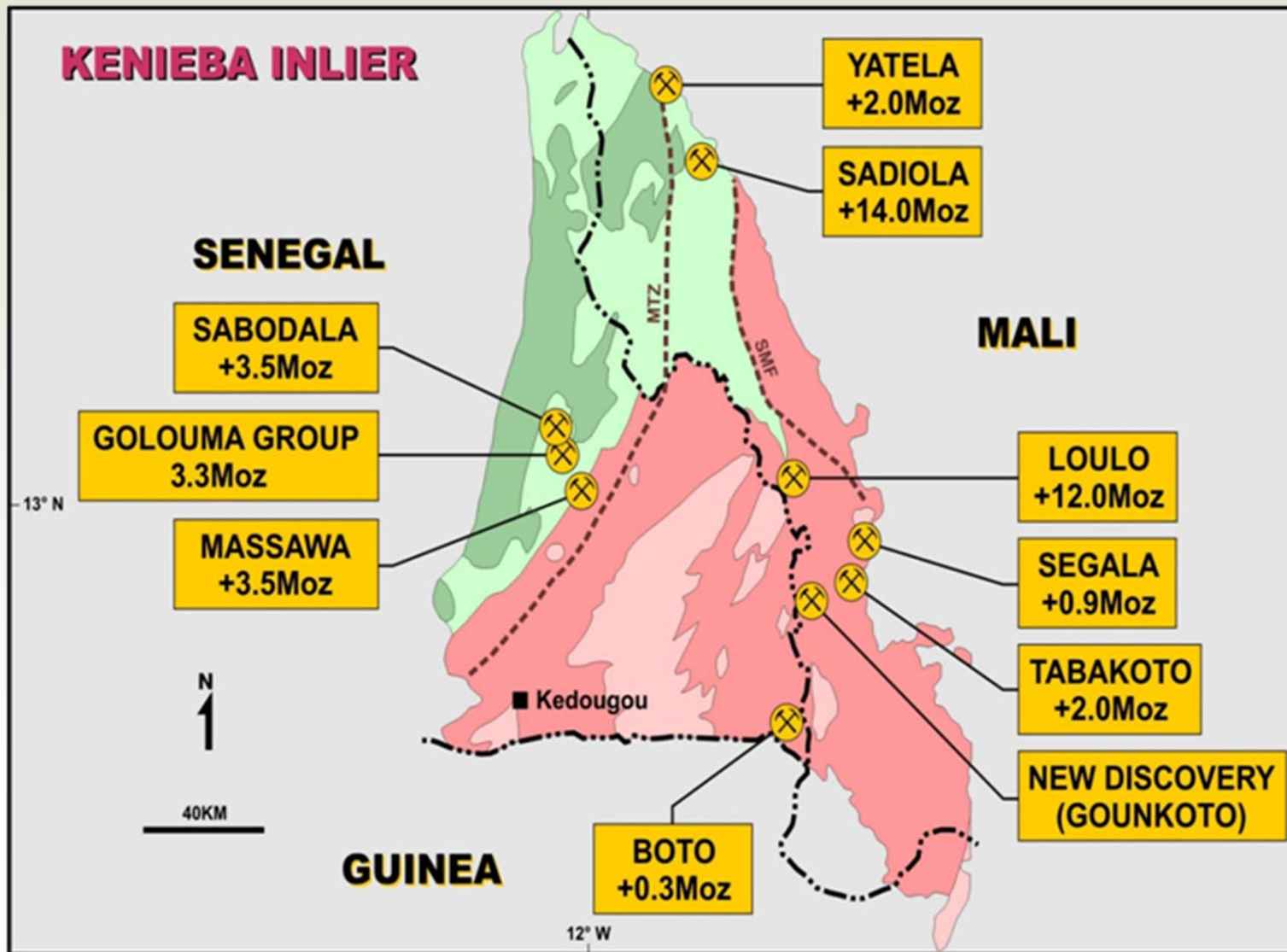
# Sabodala Gold Operation

## Strong cash flow from operations (after Corporate)



# Sabodala Gold Operation

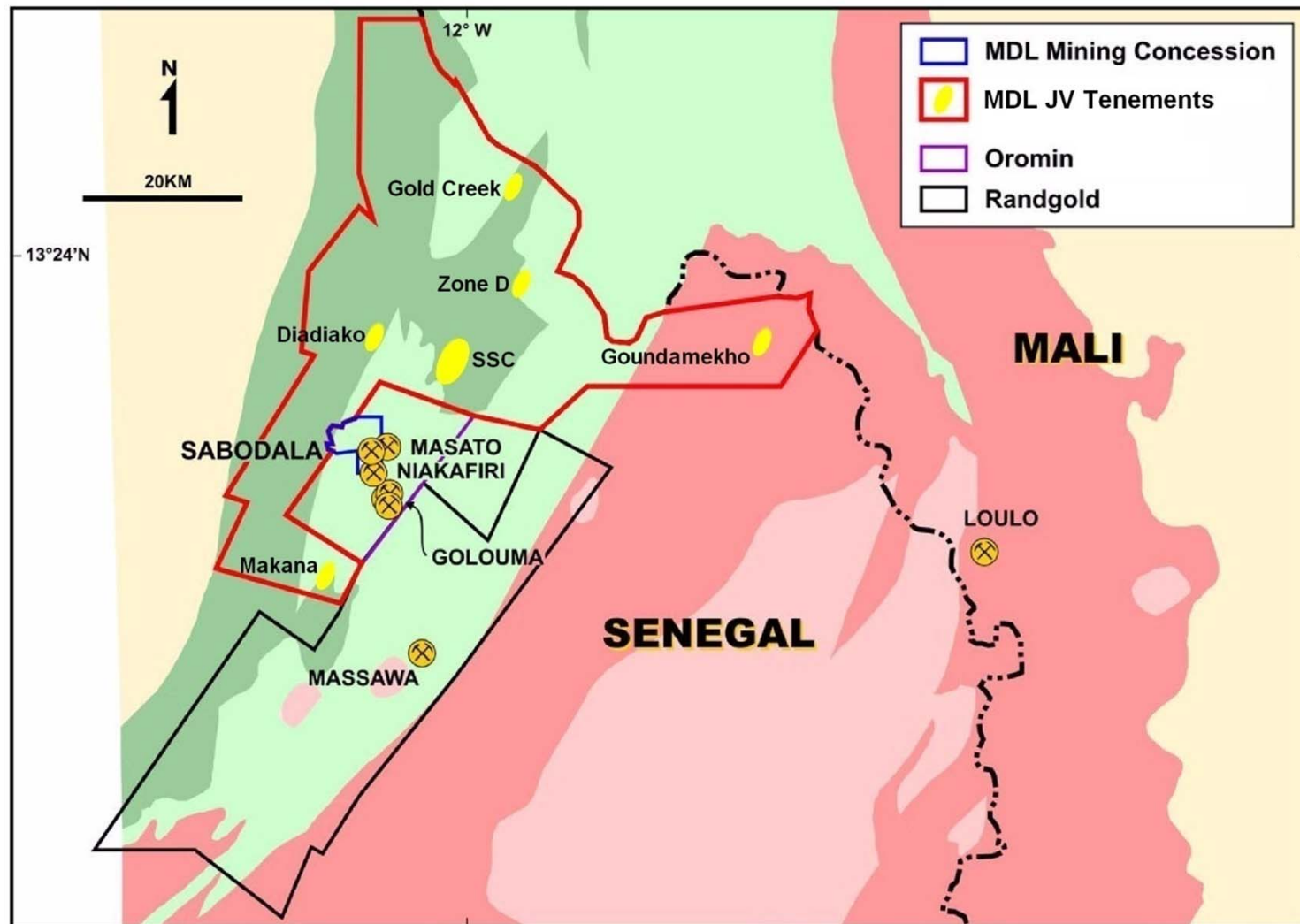
## Birimian gold belt - major gold discoveries





# Sabodala Gold Operation

A 1,400km<sup>2</sup> landholding provides enormous exploration potential



# Exploration Target

**Goundamekho..... 200m by 300m workings**

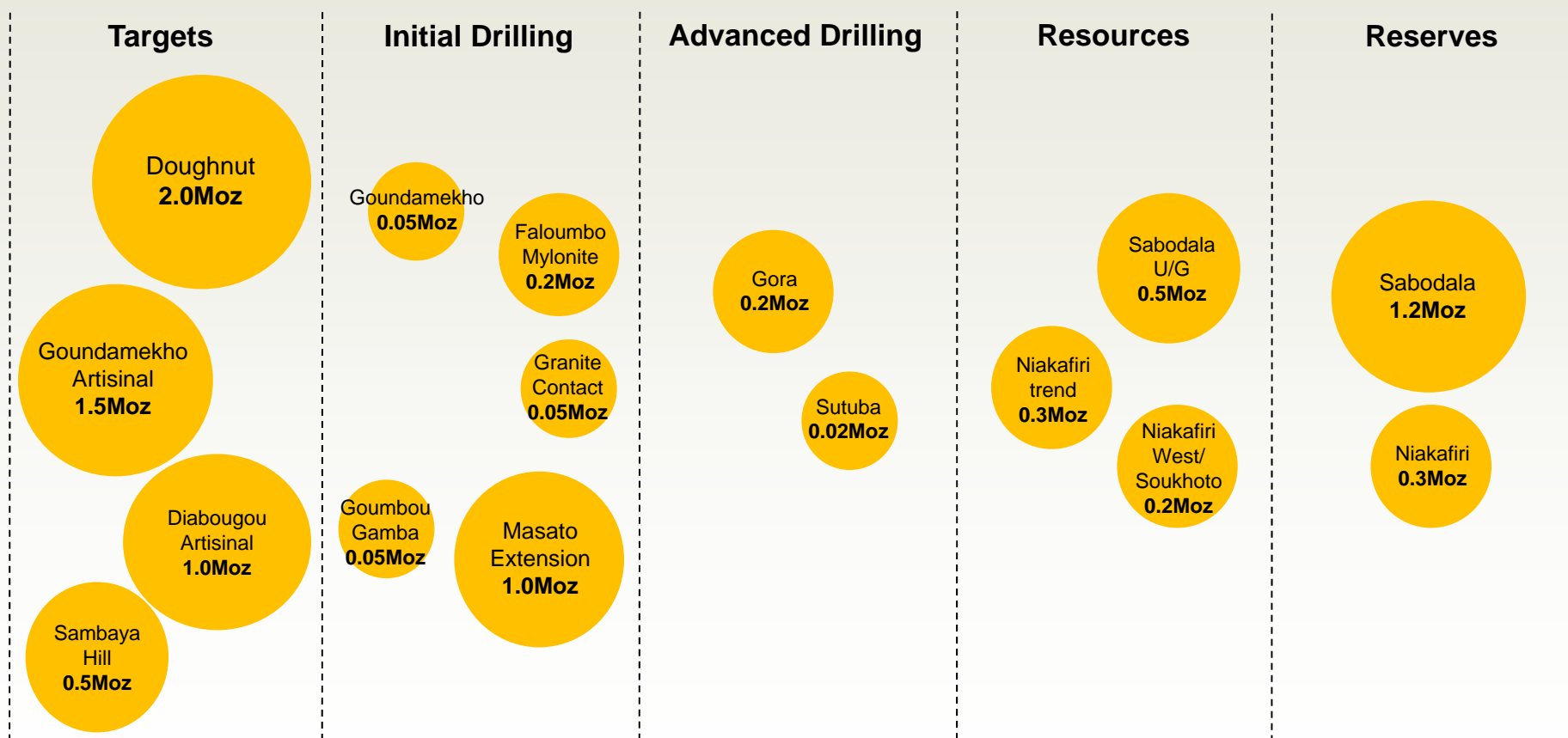




# Sabodala Gold Operation

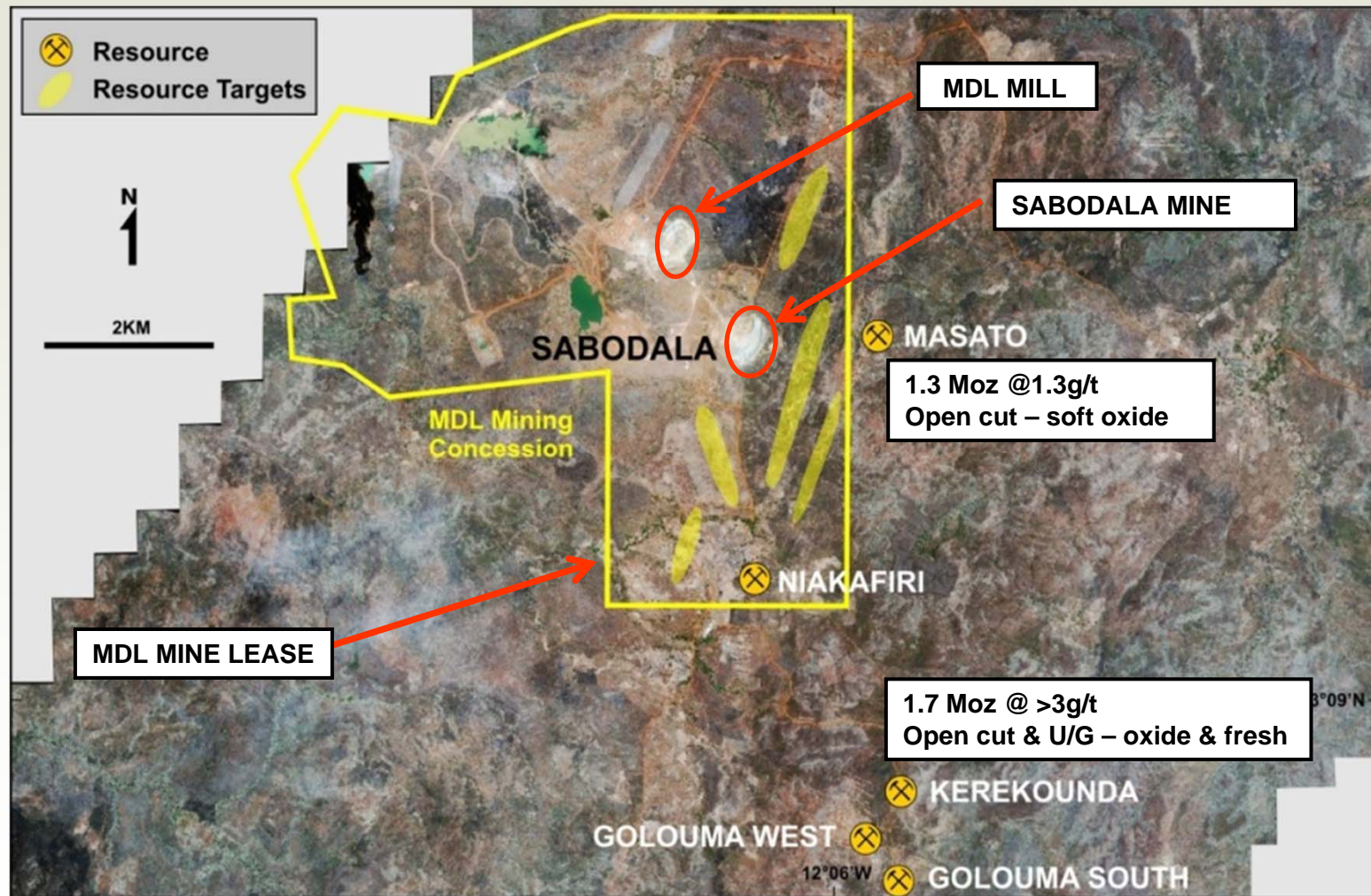
## Project Pipeline

We are actively growing our project pipeline...



# Sabodala Gold

MDL has acquired 15% of Oromin





# Gold business being demerged this year

North American listing of gold - ASX listing of sands



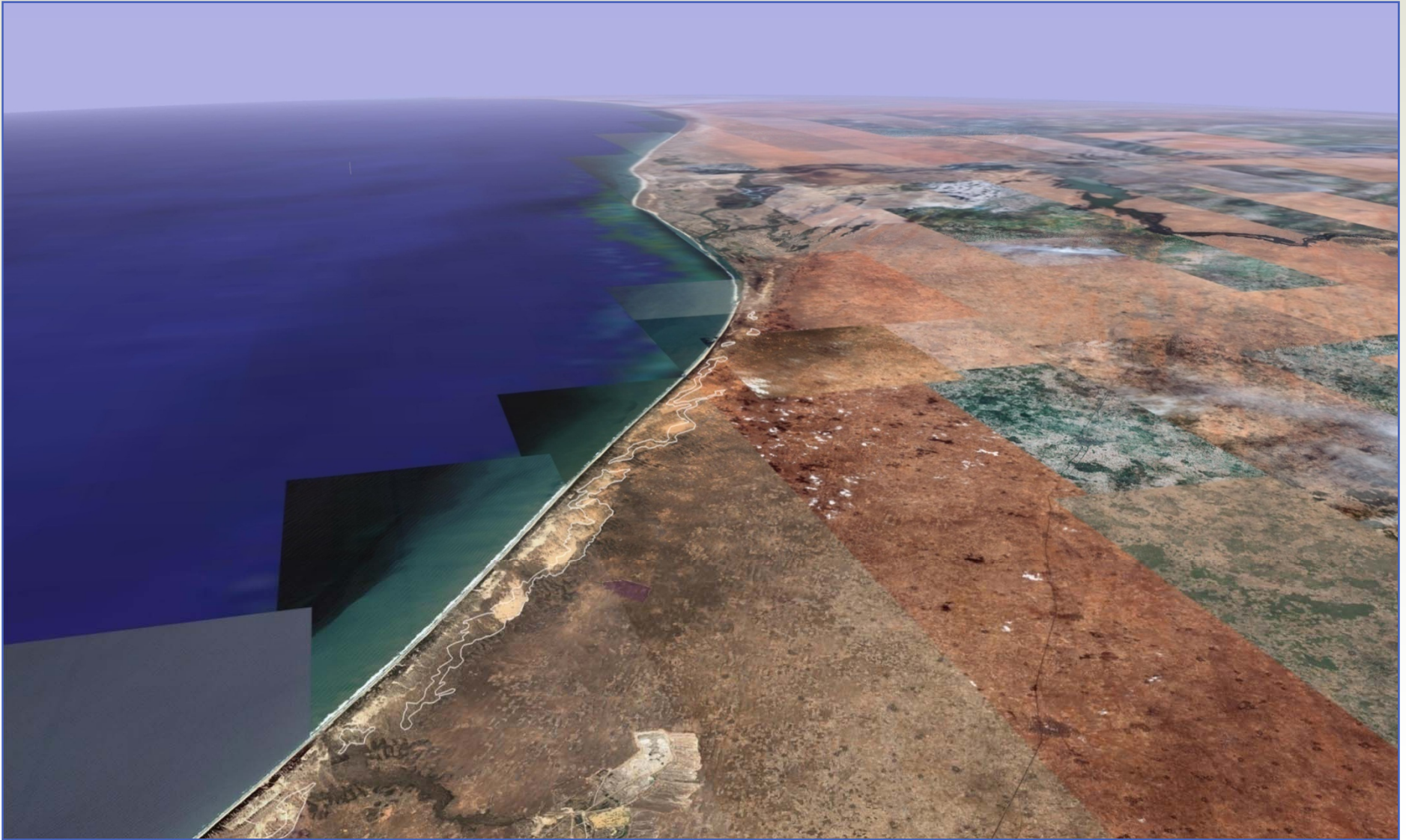
- ▶ Management to be Toronto based
- ▶ Alan Hill & Richard Young to lead
- ▶ IPO target November
- ▶ 80% distributed to MDL shareholders
- ▶ MDL to retain 20%
- ▶ Cash to MDL for mineral sands
- ▶ Existing MDL team to develop Grande Côte

Thank you





# Grande Côte Mineral Sands Project





# Grande Côte Mineral Sands Project





# Grande Côte Mineral Sands Project

## Resource

### A mine life of at least 25 years is supported by a large resource

- ▶ Global Inferred Resource:
  - 3.2Bn tonnes @ 1.8% HM (1.0% cutoff)
- ▶ First 14 years of Reserves established in initial dredge path

#### Orebody characteristics

- ▶ No overburden
- ▶ Free flowing sands
- ▶ Minor vegetation
- ▶ Minimal slimes
- ▶ No hard lenses
- ▶ Water table 2-4m below surface

#### Heavy Mineral content

Zircon	10.7%
Ilmenite	74.5%
Rutile	2.5%
Leucoxene	3.2%

# Grande Côte Mineral Sands Project

## Project Scope

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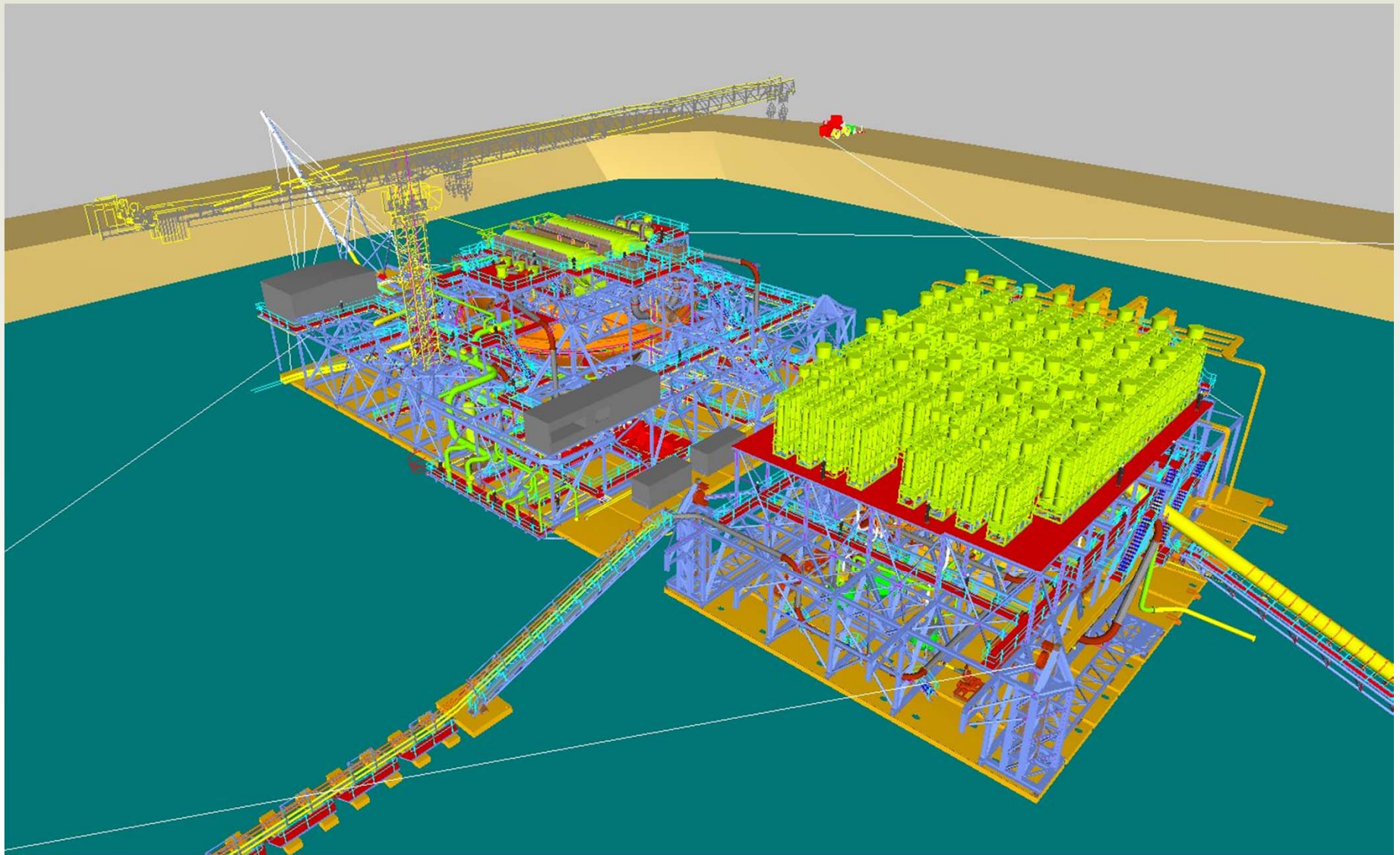
### Orebody provides for a large scale operation

- ▶ Dredge and floating concentrator mining 55Mtpa
- ▶ US\$406m Capex
- ▶ IRR of 21% based on first 14 years
- ▶ OPEX ~US\$75m
- ▶ 80Ktpa zircon (7% of global production); 550-600Ktpa ilmenite; 6Ktpa rutile; 11Ktpa leucoxene
- ▶ Infrastructure
  - 28MW HFO power station
  - Connections to existing road, rail and port



# Grande Côte Mineral Sands Project

Floating surge bin and spiral concentrator – 6,000 tonnes of steel

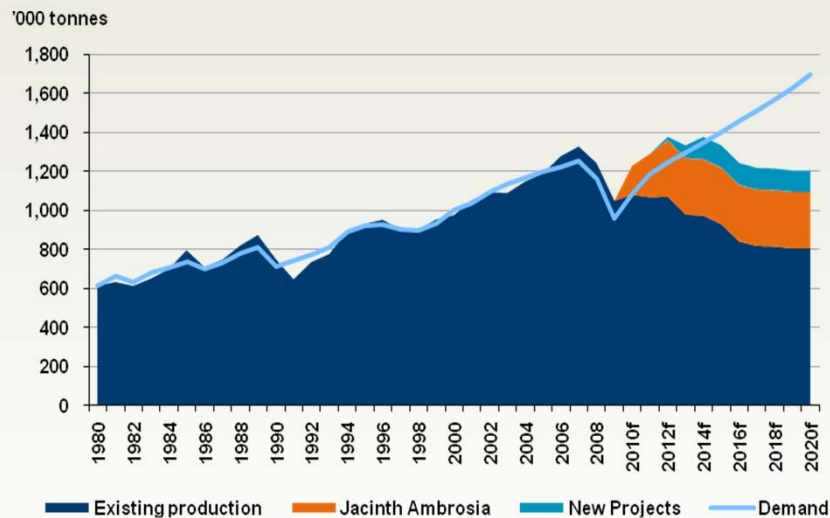


# Grande Côte Mineral Sands Project

## Market supply/demand balance

Market entry in 2013 is predicted (by TZMI) to coincide with supply deficits

Zircon Supply/Demand Balance



Source: TZMI, December 2009

TiO<sub>2</sub> Feedstock Supply/Demand Balance



Source: TZMI, October 2009



# Grande Côte Mineral Sands Project

## Financial Overview

### A strong operating margin provides for a robust project

- ▶ Volume mined : 55 Mtpa
- ▶ Heavy Mineral grade (ROM): 1.7%-1.8%

		Zircon	Rutile	Leuc Cox.	Ilmenite	Total
<b>Production</b>	Ktpa	75-80	6	9	550-600	
<b>Price assumptions</b>	US\$/t	1,000-1,200	550-600	350-400	80-100	
<b>Revenue</b>	US\$M	75-90	3	4	45-60	<b>127-157</b>
<b>Operating Costs</b>	US\$M	35-40			15	<b>50-55</b>
<b>Operating Profit (pre royalties)</b>	US\$M					<b>72-107</b>

# Grande Côte Mineral Sands Project

## Project Status

**Project development has recommenced following completion of Sabodala Gold operation**

Mining Concession	✓	25 year Mining Concession granted by Presidential Decree
Environmental approval	✓	Received
Engineering design	✓	Completed (Ausenco)
Mine path	✓	Completed (AMC)
Key management	✓	In place
Definitive Feasibility Study	✓	Completed 2Q 2010
Customer commitments		Zircon extensively tested , ilmenite marketing in progress
Financing		2010 / 2011



# Grande Côte Mineral Sands Project

## Competitive Advantages

### Significant competitive advantages give project Tier 1 potential

#### High Quality Zircon

- Top quartile
- Low Uranium / Thorium
- Customer approved

#### Low Operating Costs

- Bottom quartile
- No overburden & all free flowing white beach sands
- Minimal slimes (clay)

#### Substantial Existing Infrastructure

- Dakar port only 125km from MSP
- Close to rail and road transport options to the port
- Ship loading facilities available at the port

#### Proximity to Premium Markets

- Close to major markets of Europe and North America
- Regular container service operating out of Dakar provides working capital benefits for zircon customers