



Mineral Deposits Limited

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The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

**PRIVATE PLACEMENT OF 11 MILLION SHARES
AT 25 CENTS EACH RAISES A\$2.75 MILLION**

The board of directors of Mineral Deposits Limited is pleased to announce that the company has placed 11 million ordinary shares to a range of investors at 25 cents per share to raise a total of A\$2.75 million. These shares will rank equally with all other issued ordinary shares.

Macquarie Bank Limited, clients of brokers Taylor Collison and Gillon Securities and local and overseas institutional investors participated in this placement.

The capital being raised is to provide additional working capital for the advancement of exploration and feasibility studies currently underway on the company's Senegalese heavy mineral sands project, now known as the **"Grande Côte Zircon Project"**.

As previously announced on 28 October 2003, the company has secured the Grande Côte deposit on the coast of Senegal, some 100 kilometres north of the country's capital Dakar. The deposit was extensively drilled by DuPont Chemicals Inc. (USA) in the early 1990s with over 8,000 drill holes completed, indicating a very large resource with a heavy mineral content between 2% and 5% (depending on the mining cut-off value selected).

The company is currently proceeding with the geological, engineering and environmental work necessary for the completion of a bankable feasibility study. The Grande Côte deposit is within unconsolidated surface sand dunes with less than 0.5% slime content. The dune system within the Concession is approximately 100 kilometres long and up to four kilometres wide. The mineral assemblage contains approximately 9% high quality zircon and MDL is confident this zircon content will support the economics of the project.

As part of the development plan, the company proposes to relocate its 2,000 tonne per hour Viney Creek dredges and concentrator and its 80,000 tonne per annum dry processing zircon and rutile mill at Hawks Nest to Senegal early 2005.

MDL INVITED TO PARTICIPATE IN GOLD PROJECT TENDER

Following Parliamentary approval of the new Senegal Mining Code ('Code Minier') on 24 November 2003, the Government of the Republic of Senegal decided to accelerate development of the country's mineral resources. As part of this plan, MDL, already well-known to the Dakar government because of its long-established presence in the country in relation to the Grande Côte project, among a number of other companies, has been invited to tender for the exploration and exploitation of the Sabodala deposit situated in the southeast of Senegal.

The tender closes on Monday, 7 June 2004 and announcement of the successful tenderer is anticipated before the end of June.

The Sabodala deposit is located within the West African 'Birimium' gold province in the east of the country near the Mali border, as shown on the attached plan. The deposit lies within a typical greenstone belt, similar to those of the Eastern Goldfields of Western Australia. The region hosts a number of very significant gold discoveries including Sadiola (9.8 million ounces), some 80 kilometres from Sabodala but in the adjacent country of Mali.

The information already in MDL's possession indicates that the Sabodala deposit has a substantial measured through to inferred resource of 945,000 ounces with a very attractive stripping ratio and the mineralisation appears to be open in most directions. In addition, there appears to be highly attractive regional potential within the lease as this area of the Birimium sequence is very underexplored and therefore considered highly prospective.

The company proposes to submit an extensive tender bid, the compilation of which is underway, by the due date. The outcome of the bid will be reported when it becomes available.

SENEGAL COUNTRY MANAGER APPOINTED

MDL is pleased to announce the appointment of Mr Cheikh Faye, a Senegalese-born mining professional with extensive resources experience in Senegal and Canada. Mr Faye will be Manager – Senegal and will bring to the company a broad knowledge of mining and exploration and will act as an interface on cultural, environmental and political issues.

Mr Faye was educated at the Pennsylvania State University and the Mining School of Morocco and is currently a Member of the American Society for Mining, Metallurgy and Exploration Inc (AIME). He has a degree in Mineral Engineering Management and Mineral Processing and speaks fluent French, English and Wolof.

Mr Faye has more than 15 years in the mineral industry, extensive practical experience in exploration and deposit modelling and strong project feasibility and evaluation skills. He has participated in such industries as gold, heavy mineral sands, phosphate, oil/gas, lignite, peat, iron ore, talc and marble. His background includes employment with major resource companies RTZ (Iron Foundry-Canada), Shell (Oil/gas), Luzenac (Talc-Canada) and DuPont Chemicals (heavy mineral sands – Senegal). His practical mining experience embraces underground coal mining and processing and production of sulphuric and phosphoric acid.

In his role with DuPont Chemicals between 1989-93, Mr Faye supervised the exploration and laboratory analysis of over 8,000 drill holes completed on the Grande Côte lease now the focus of MDL's attention. During this time, he organised sampling and assaying of more than 68,000 metres of drilling for DuPont and was a key leader in completing the pre-feasibility study for the heavy mineral sands project now being evaluated by MDL.

He will be an invaluable member of the team as MDL progresses its heavy mineral sands project in Senegal.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Nic Limb', with a stylized flourish at the end.

Nic Limb
Executive Chairman

Attach.

