

MINOTAUR EXPLORATION LTD

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ASX Code: MEP

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The Company Announcements Office
Australian Securities Exchange Limited

Maiden JORC reported gold resource estimate issued for Golden Mountain project, Victoria

HIGHLIGHTS:

- A maiden JORC reported resource estimate of 70,500 ounces of gold was issued for the Golden Mountain project

BACKGROUND:

Minotaur Exploration Limited ('Minotaur', ASX: MEP) recently entered into an Option Agreement¹ with ASX listed Mining Projects Group Ltd (ASX: MPJ) to explore and, at Minotaur's election, subsequently acquire Xplor Pty Ltd ('Xplor'), a wholly owned subsidiary of MPJ. Xplor is the owner of Victorian exploration licence EL 4533 at Mt Tarrengower, Maldon, and mining licence MIN 4683, 'Golden Mountain', near Bonnie Doon. Subject to timely renewal of the mining licence (application submitted to DPI), Minotaur will manage the ongoing exploration programme.

RESOURCE ESTIMATE:

A gold resource estimate was completed by independent consultants CSA Global Pty Ltd ('CSA'), and contains 950,000 tonnes at 2.31g/t using a 1.0 g/t Au cut off, totaling 70,500 ounces of gold, as presented in Table 1. The resource estimate has been classified as Inferred under the JORC code (2004 edition) The tonnage grade curve data output from the model are reported in Table 2 and graphically depicted in Figure 1.

Cut off (Au g/t)	Classification	Tonnes	Grade (g/t Au)	Ounces	Comments
1.0	Inferred	950,000	2.31	70,500	CSA Global - 2010

Table 1: Golden Mountain Resource, CSA 2010, 1.0g/t Au cut off

Note: The Mineral Resource has been classified as Inferred due to the lack of QAQC on the historic drilling and due to uncertainty as to the extent of historic mining. Differences may occur due to rounding

A total of 180 diamond and reverse circulation (RC) drill holes were used to compile the resource estimate (Table 3).

¹ Minotaur gains exposure to historic Victorian goldfields, Minotaur Exploration Limited ASX Announcement, 17 September 2010

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Golden Mountain Grade-Tonnage results					
Au Cut g/t	Volume	Tonnes	Au g/t	Density	Ounces
0	633,000	1,684,000	1.53	2.66	82,900
0.5	504,000	1,341,000	1.85	2.66	79,800
1	357,000	950,000	2.31	2.66	70,500
1.5	238,000	632,000	2.84	2.66	57,700
2	147,000	391,000	3.54	2.66	44,500
2.5	87,000	231,000	4.45	2.66	33,000
3	56,000	148,000	5.41	2.66	25,700
3.5	36,000	95,000	6.62	2.66	20,200
4	22,000	59,000	8.37	2.66	15,700
4.5	18,000	49,000	9.22	2.66	14,400
5	11,000	30,000	11.99	2.66	11,600

Table 2: Golden Mountain Resource, Grade vs Tonnage table

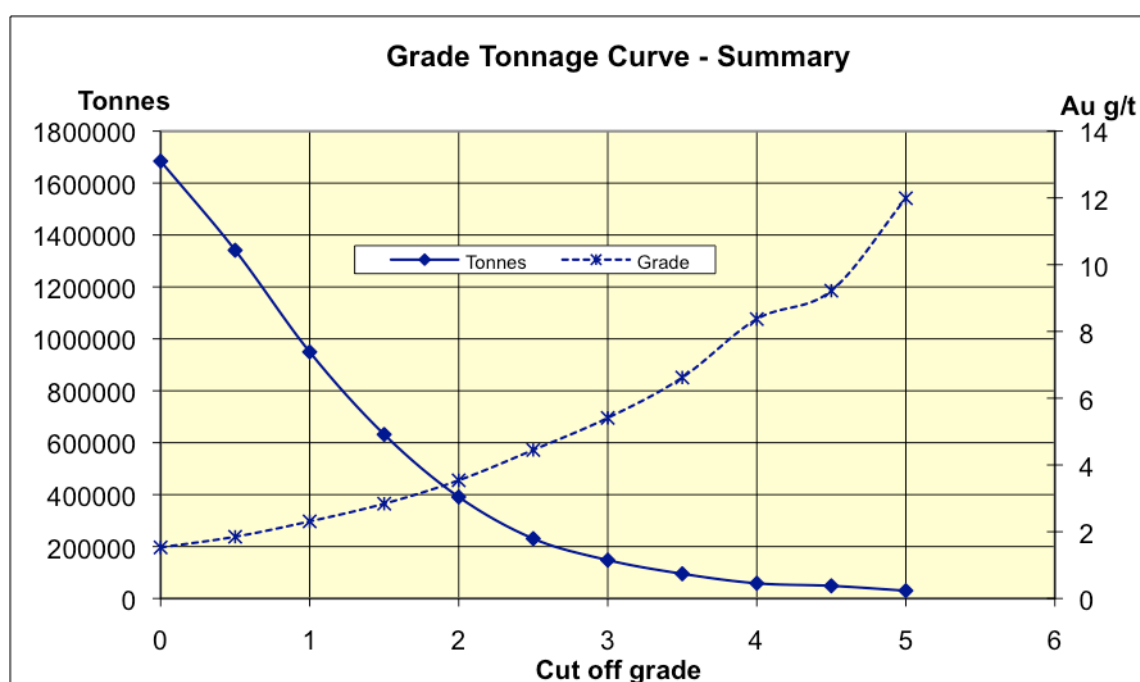


Figure 1: Golden Mountain Resource, Grade vs Tonnage curve

Hole type	Comment	Number	Total meters	Mineralised meters
Diamond	DDH	25.00	5435.70	849.72
RC	Remaining	155.00	13949.34	2222.59

Table 3: Golden Mountain, drill hole data incorporated in Resource estimate

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MINING HISTORY:

The Golden Mountain mining licence (MIN 4683) covers 2 kilometres of the east-west portion of the southern contact zone of the Strathbogie Granite. Historically around 130,000 ounces of gold were won from downstream alluvial deposits, presumably derived from the granite contact zone. MIN 4683 contains a number of open pit and underground gold workings, including Meades mine which was the most significant operation. Meades produced 8,600 ounces of gold to a depth of about 60m (Figure 2), until mining ceased in 1926.

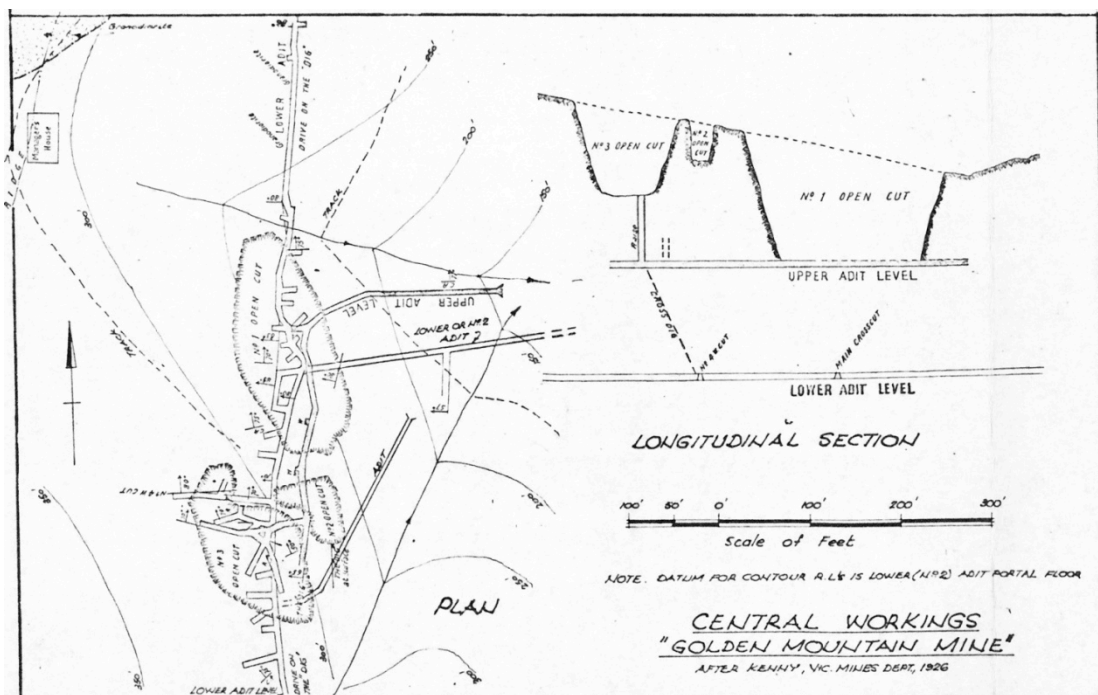


Figure 2: Golden Mountain, slope plans (1926)

Since then Meades mine has been the focus of extensive drilling and resource development activities, particularly in the mid to late 1990's. CSA was engaged to combine the historic drill data with more recent drilling completed in 2008-2009 to estimate the resource.

Gold mineralisation occurs as disseminated gold grains in close spatial association with pyrite, arsenopyrite, biotite and quartz veinlets, all within fine-grained hornfelsed sandstone. Mineralisation is structurally controlled by the north-north east to south-south west trending fault structure locally known as 'the Dig' fault. The deposit is open to the south and north along strike of the Dig fault and at depth.

Mineralisation consists of discrete zones of disseminated gold which results in little visual distinction between barren and mineralised zones, making it extremely difficult for historic miners to distinguish economic material from barren rock. The deposit is not classed as a typical 'Victorian style' deposit, as the mineralisation predominantly occurs as free gold disseminated discretely throughout the host sediments and is associated to some degree with sulphides (<10% pyrite/arsenopyrite) and minor quartz veinlets.

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Despite the intensity of drill data, the inferred resource category was deemed applicable due to a number of limiting factors, including:

- confidence levels in understanding the geological controls on gold mineralisation
- amount of resource removed from underground mining, and
- reproducibility of gold values within the historical data base
- identification of geological boundaries (base of oxidation, extension of mineralised domains at depth, etc)

Minotaur will attempt to address these uncertainties through a programme of systematic logging and re-sampling of the available drill core to provide a database with values based on updated quality assurance and quality control measures. Such a study will allow for an increased understanding on the type and distribution of gold mineralisation and a better understanding of the geological controls. This knowledge will then be applied to extend exploration from known mineralised zones into areas which have had little or no drilling.

Information in this report that relates to Mineral Resources is based on information compiled by Mr Matthew Stevens who is a Member of the Australasian Institute of Mining and Metallurgy and Mr Steven Hodgson, who is a Member of the Australian Institute of Geoscientists. Mr Stevens and Mr Hodgson are both full-time employees of CSA Global Pty Ltd. Mr Stevens and Mr Hodgson have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he (or she) is undertaking to qualify 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 Stevens and Mr Hodgson consent to inclusion in the report of the matters based on their information in the form and context in which it appears".



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