

ASX RELEASE



MINOTAUR
EXPLORATION

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MINOTAUR SELLS TUNKILLIA GOLD ASSETS FOR A\$6 MILLION

HIGHLIGHTS

- Minotaur and Mungana Goldmines sign binding Sale Agreement
- Minotaur sells its interest in Tunkillia gold project and two 100% owned adjacent tenements in South Australia
- Mungana to pay Minotaur \$4 million in cash plus \$2 million in Mungana shares

Minotaur Exploration Limited ('Minotaur', ASX Code: MEP) has entered into a binding conditional agreement to sell its share of the Tunkillia gold project in South Australia to ASX-listed Mungana Goldmines Ltd (ASX: MUX) for A\$6 million in cash and shares, as a result of a competitive bidding process.

The sale is part of Minotaur's 2012 strategy to build its cash reserves without shareholder dilution, despite the anticipated tightening in capital markets for junior explorers, and to fund exploration on its highly promising copper-gold prospects in the Cloncurry region of north Queensland and in South Australia's Gawler Craton.

The sale encompasses transfer of ownership of Minotaur's shareholding in Minotaur Ventures Pty Ltd (MinVen), a wholly-owned subsidiary of Minotaur and operator and manager of the Tunkillia Joint Venture (an unincorporated joint venture with Helix Resources Ltd, tenement holder and non-contributing, diluting 45% participant). The three Tunkillia Joint Venture tenements comprise EL 4495 (Lake Everard West), EL 4596 (Yellabinna) and ELA 183/2010 (Lake Everard). MinVen has earned, as the contributing joint venture participant, a 55% beneficial interest in the project since entering the joint venture in March 2005. The sale also includes the transfer to Mungana of two wholly-owned Minotaur exploration licences, EL 4439 (Deception Hill) and EL 4696 (Cooritta), both adjacent to and immediately north of the Tunkillia gold project's joint venture tenements (see Figure 1).

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At completion of the Sale and Purchase Agreement, on satisfaction of conditions precedent, Brisbane-based Mungana will pay Minotaur A\$4,000,000 cash plus A\$2,000,000 payable in 3,076,923 Mungana ordinary shares.

Minotaur considers Mungana has the financial capacity, technical and operational expertise to further enhance the value of the Tunkillia resource through accelerated exploration and project development studies. Minotaur is pleased to therefore retain an exposure to the project's forward prospects through its Mungana holding.

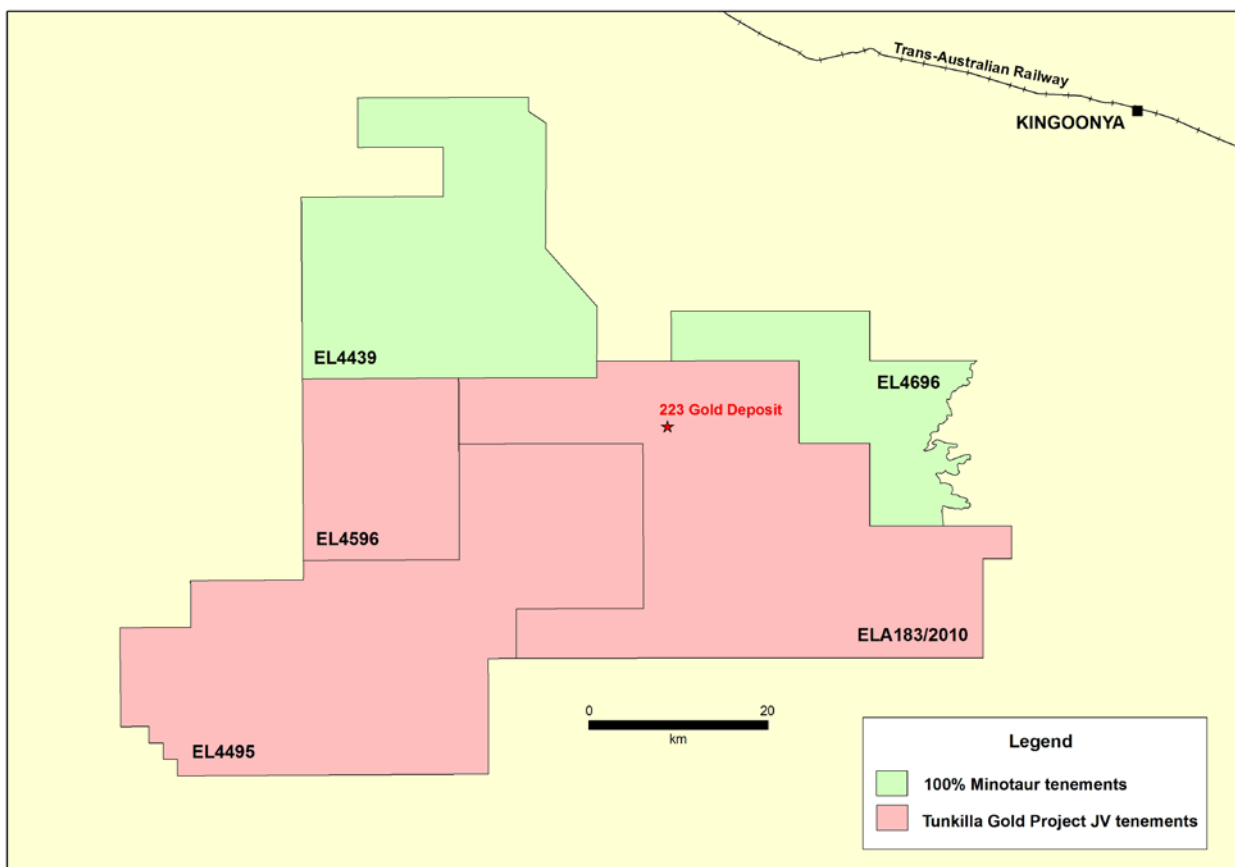


Figure 1: Arrangement of tenements comprising the Tunkillia Joint Venture, EL 4495, 4596, ELA 183/2010 (red areas) and contiguous Minotaur 100% owned tenements (green areas)



Figure 2: Location of the Tunkillia Gold Project in South Australia

About Mungana Goldmines Ltd

Mungana Goldmines listed on the Australian Securities Exchange (ASX) in June 2010 following a \$57 million IPO to fully realise the value of the North Queensland gold assets of the mid-tier base metal producer, Kagara Limited (ASX: KZL). Kagara Ltd retains a 62% shareholding.

Mungana's key assets are the Mungana and Red Dome gold deposits, located in the Chillagoe region of North Queensland, which have combined Measured, Indicated and Inferred Resources totalling 2.6 million ounces of gold, 255,000 tonnes of copper and 33 million ounces of silver.

Mungana is undertaking mining studies and a definition drilling program at the Mungana and Red Dome gold deposits culminating in a BFS to assess the optimal development strategy for these deposits.

The Company is targeting a resource capable of sustaining production of 120,000 ounces of gold 20,000 tonnes of copper and 1.5 million ounces of silver annually.

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