



## NEWS RELEASE

**FOR IMMEDIATE RELEASE**  
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### **MOTO GOLDMINES STUDY SHOWS POTENTIAL FOR A SIGNIFICANT GOLD MINING OPERATION**

Moto Goldmines Limited is pleased to report that an **independent conceptual study**, prepared by Cube Consulting Pty Ltd, has indicated potential for the development of a significant gold mine at the Company's Moto Gold project in the north east of the Democratic Republic of Congo.

Using an indicative throughput rate of 3 million tonnes per annum, an average gold price of US\$450 per ounce and excluding capital and infrastructure costs, the study demonstrates the potential for a project producing in the order of **240,000 ounces per annum** at an average operating cash cost of approximately of US\$220 per ounce, generating **net cashflows in excess of US\$650 million** over a 12 year minelife, before any amortization of capital and infrastructure expenditure, or debt service.

*It should be noted that the conceptual study is categorized as a Preliminary Assessment under Canadian Securities Administrators National Instrument 43-101 and is preliminary in nature because it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the results of the conceptual study will be realized in the future.*

## CONCEPTUAL STUDY

Following completion of a revised resource estimate by independent geological consultants Cube Consulting Pty Limited ("Cube Consulting") in August 2005 (indicated resources estimated at 8.23 million tonnes at 2.6 g/t for 0.7 million ounces of gold and inferred resources estimated at 89.23 million tonnes at 2.6 g/t Au for 7.3 million ounces of gold) the Company's principal focus has been to progress the Company from the exploration stage to project feasibility and development. As part of this process, a conceptual study was undertaken in conjunction with an infill drilling programme designed to upgrade the resources from the inferred to the indicated category.

Cube Consulting were appointed to review the potential for a mining operation based on a number of the ore bodies at the Moto Gold project. Cube Consulting have completed a conceptual study indicating that a gold mine supporting annual production of approximately 240,000 ozs of gold per annum could be developed at the Moto Gold project (based on production of 3 million ounces over 12 years). Significant study parameters and assumptions include:

Average Throughput	Mtpa	3
Feed Grade	grams/tonne	2.7
Average Gold Production	koz pa	240
Average strip ratio	waste:ore	3.1
Average Recovery Rate	%	88
Estimated Cashflows*:		
@ gold price of 400 \$/oz net	US\$ Million	517
@ gold price of 425 \$/oz net	US\$ Million	589
@ gold price of 450 \$/oz net	US\$ Million	661
@ gold price of 475 \$/oz net	US\$ Million	732
@ gold price of 500 \$/oz net	US\$ Million	803
Estimated operational unit cost	US\$/oz (rec'd)	218
Indicative Mine Life	Years	12

\*Undiscounted

**The above evaluations are preliminary in nature and remain subject to completion of a feasibility study. The numbers shown are projections, which may not reflect actual performance.**

The conceptual study does not include capital expenditure and infrastructure costs. Preliminary estimates of these costs are currently being prepared. Due to the number and variety of ore bodies, extensive metallurgical test work is being undertaken to further quantify indicative recovery rates for each orebody and better define the process flow sheet.

As noted above, the resources used in the conceptual study were those estimated by Cube in August 2005. In November 2005 an updated independent resource estimate was completed by Cube as follows:

- Indicated resources - 34.33 million tonnes at 2.5 g/t Au for 2.809 million ounces of gold; and
- Inferred resources - 92.87 million tonnes at 2.7 g/t Au for 8.158 million ounces of gold.

Activities in relation to project feasibility and development are ongoing and the Company is continuing to work towards completion of pre-feasibility work by mid 2006 and completion of a bankable feasibility study in 2007.

For further information in respect of the Company's activities, please contact:

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*Company website: [www.motogoldmines.com](http://www.motogoldmines.com)*

**Additional Notes:**

*Scientific or technical information in this news release has been prepared under the supervision of Greg Smith, Exploration Manager of the Company and a qualified person under National Instrument 43-101 and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Greg Smith has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he 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" (the JORC Code).*

*The Information in this report that relates to Mineral Resources is based on a resource estimate compiled by Ted Coupland who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM), Mineral Industry Consultants Association (MICA) and is a Chartered Professional (Geology), and a qualified person under National Instrument 43-101. Ted Coupland is a director of Cube Consulting Pty Ltd. Ted Coupland has sufficient experience which is relevant to gold mineralisation and resource estimation to qualify as a competent Person as defined in the December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Ted Coupland consents to the inclusion in this report of the Information, in the form and context in which it appears.*

**Conceptual Study**

- *The study was undertaken by Cube Consulting Pty Ltd. The objectives of this high level study were a) to provide a first pass indication of the potential of the resource, and b) to provide guidance for exploration drilling with the aim of improving the confidence level of the resource.*
- *The assessment is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary assessment will be realized.*
- *The study comprised open pit optimisation on 12 deposits, preliminary pit designs on 3 deposits (including 2 phased cutback designs) and a top-down whole-bench mining schedule with associated simple (undiscounted) cashflows. Cost parameters used in the study were mostly derived from average data for similar types of operations and no costing analyses was carried out. Metallurgical recoveries were based on initial test results on five of the deposits, the results of which were applied to resources for which no testing was available. No geotechnical evaluations were completed for the study and indicative slope angles were used.*

*Caution Regarding Forward Looking Statements: Statements regarding the Company's plans with respect to developing the Moto Gold Project are forward-looking. There can be no assurance that any mineralisation will be proven to be economic, that anticipated metallurgical recoveries will be achieved, that future evaluation work will confirm the viability of deposits identified with the project or that future required regulatory approvals will be obtained.*