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RESOURCE DOUBLED FOR S.A. KAOLIN PROJECT

AS PILOT PLANT COMPLETED

A doubling in Inferred Resource has been announced for the Carey's Well high-grade kaolin deposit, wholly owned by Minotaur Exploration (**ASX : MEP**) and located at Poochera on the far west coast of South Australia's Eyre Peninsula.

In addition, the Company announces the completion of a pilot plant to test the quality and recovery rates for the enhanced deposit.

The two key developments comprise:

- Poochera's Inferred Resource doubled to 20 million tonnes of "bright white" kaolinised granite at the project's Carey's Well kaolin deposit; and
- The completion of a pilot plant to process bulk samples from the 2008 drilling program - results determining the most appropriate processing technology to maximise project quality and recovery levels.

Enhanced resource

Following an assessment of previous drill results, together with an additional six large diameter drill holes and confirmatory laboratory testing by Minotaur, an Inferred Resource of 20 million tonnes of "bright white" kaolinised granite has been estimated for the Carey's Well deposit, previously reported as 9 million tonnes (Carey's Well resource statement ASX release 2 May 2008).

The Inferred Resource is now defined from 91 vertical Rotary Air Blast (RAB) and Reverse Circulation (RC) drill holes from three historical drilling campaigns and 6 Calweld drill holes. 59 holes intersected white to off-white kaolinised granite, 39 being composited for analytical test work that included raw ISO brightness (R_{457}). Composite lengths were determined by grouping the original 1 metre samples that had consistent "whiteness". The average composite length is approximately 4 metres.

The Inferred Resource of "bright white" kaolinised granite has been determined within a boundary that represents a zone of high brightness (using R_{457} data), low strip ratio and reasonable drill spacing (Figure 2). Overburden thickness ranges from 9 to 33 metres. Yields of 40% (total product / in-situ kaolinised granite) have been estimated although further work by passing bulk samples through a pilot plant is required to accurately calculate yields.

The "bright white" kaolinised granite lies within a larger Inferred Resource of 47.2 million tonnes of white to off-white kaolin body that is approximately 4 kilometres long and 2 kilometres wide. The average thickness of this body is approximately 8.5 metres with a maximum thickness of approximately 20 metres. The resource has been defined by using qualitative data derived from logging of the 1 metre kaolin samples collected during drilling.

Tonnages have been determined by using a conservative rock density of 1.4. Only very minor internal dilution exists within this kaolinised unit.

It is considered that further close-spaced resource drilling and analytical testing will improve the resource classification and may increase the size of the resource especially to the south and east.

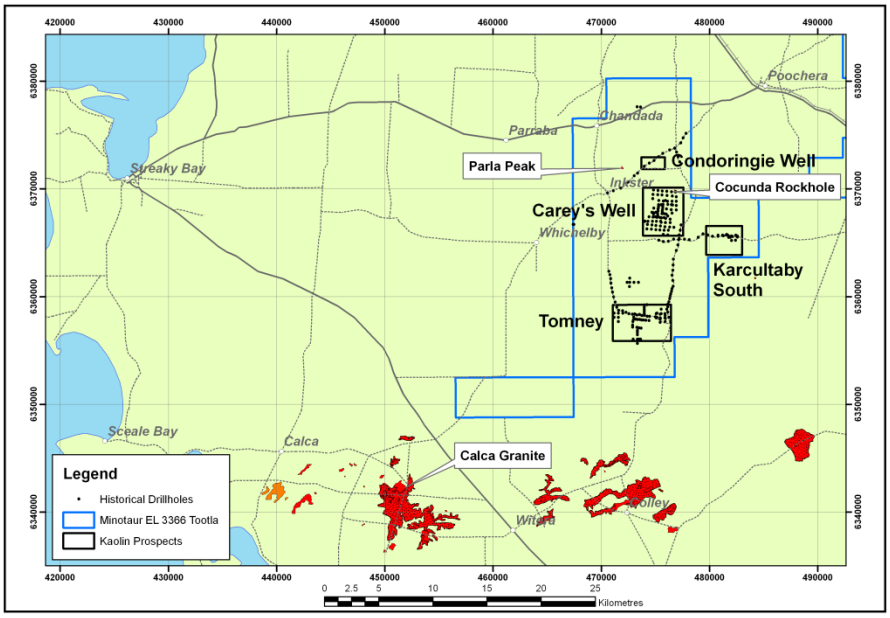

Figure 1. Location of Poochera Kaolin Deposit.

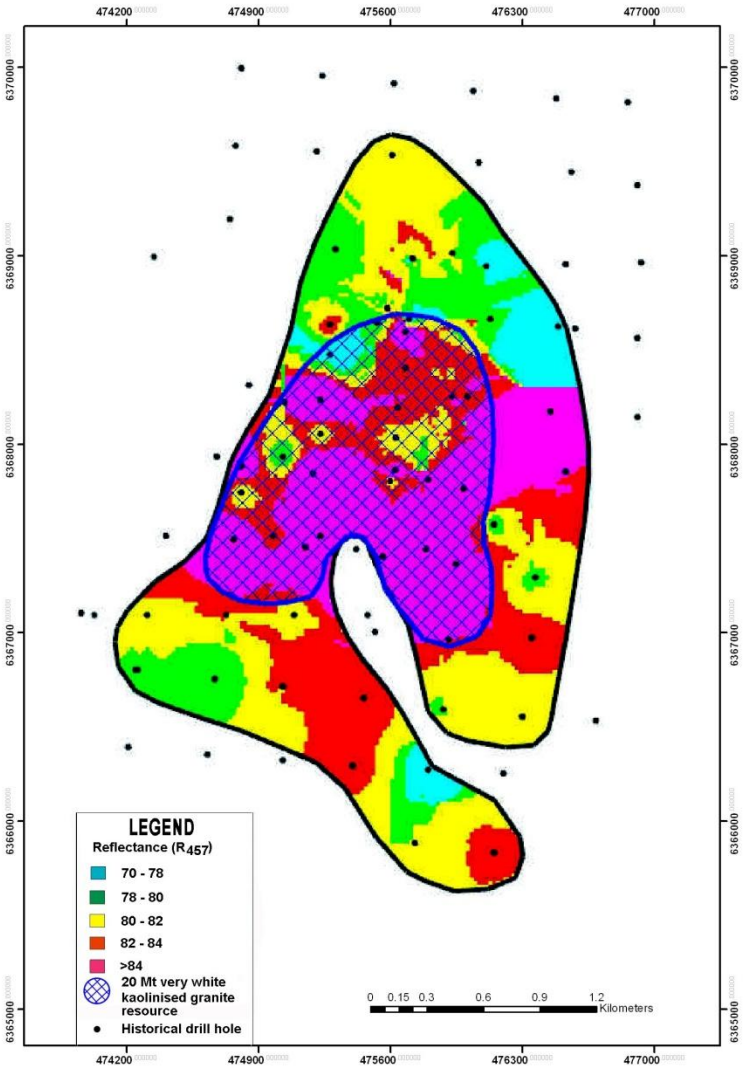

Figure 2. Block model of Carey's Well deposit coloured by raw brightness (R457).

Pilot Plant

The Company announced in October 2008 its intention to construct a pilot plant to be used to process the bulk samples collected during the 2008 drilling program. The tests would help determine the most appropriate processing technology for the deposit. The plant is designed to remove the quartz from the bulk samples of kaolinised granite. This yields a raw kaolin product which is then calcined (heated to about 940^0C). Calcining produces a high value product suitable for paper coating and paint, rubber and plastic filler.

The plant is now complete (see photographs below) and is awaiting final commissioning.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr A. P. Belperio, who is a full-time employee of the Company and a Fellow of the Australasian Institute of Mining and Metallurgy. Dr A. P. Belperio has a minimum of 5 years experience which is relevant to the style of mineralisation and type of deposit 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". Dr A. P. Belperio consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.