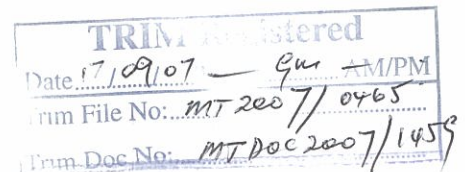




FLINDERS
DIAMONDS

12 September 2007

Mr Stephen Fisher
Mining Registrar
Minerals and Energy Titles Division
GPO Box 3000
DARWIN NT 0801



Dear Stephen,

Exploration Licence 23592 – Partial Relinquishment Report and Operational Update

Further to our phone conversation today I would like to advise that no mineral exploration was undertaken on the 8 blocks relinquished from EL 23592 in 2007. As such I understand that this letter will be acceptable in lieu of a formal relinquishment report.

I would also at this time like to advise on pending changes to operations on EL 23592 and some adjacent tenements.

Details of the following should be treated as confidential until Maximus and/ or Minotaur have issued an ASX release.

Maximus Resources Limited is the current operator of EL 23592 and holds the non-diamond rights. Flinders Diamonds Limited is the registered licence holder and retains the diamond rights to EL 23592.

Maximus Resources Limited and Minotaur Operations Pty Ltd (MO) (a wholly-owned subsidiary of Minotaur Exploration Pty Ltd) have established a joint venture agreement whereby MO as operator will undertake exploration for copper-gold mineralisation on EL 23592 and two other small granted exploration licences in the adjacent region.

Under the joint venture MO has committed to:

- Completion of a program of gravity and electrical geophysical surveys and RC drilling at an estimated cost of \$425 000 by June 2008 on this project
- Exploration expenditure of \$1 000 000 over a 3 year period to earn a 51% interest in the project area
- Exploration expenditure of a further \$1 000 000 over an additional 2 year period to earn a 75% interest in the project area

Minotaur Exploration Ltd was responsible for the discovery of the world class Prominent Hill copper-gold deposit near Coober Pedy in SA which is scheduled to shortly commence production.

Yours sincerely,



Warwick Newton
Tenement Manager

**DEPT PRIMARY INDUSTRY,
FISHERIES AND MINES**

17 SEP 2007

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INFORMATION MANAGEMENT**