NEWS RELEASE

FOR IMMEDIATE RELEASE **TSX Code – MGL**
August 28, 2006 **ASX, AIM Code – MOE**

Moto Gold Project Pre-Feasibility Study demonstrates a robust start up position and significant long term potential.

PERTH, WESTERN AUSTRALIA – Moto Goldmines Limited (MGL) is pleased to report that the Pre-Feasibility Study (PFS) of the Moto Gold Project in the Democratic Republic of Congo (DRC) clearly demonstrates its robust economics, long life and world class potential. The PFS has been completed on schedule by Lycopodium Engineering Pty Ltd and Cube Consulting Pty Ltd.

The PFS was based on the project's Indicated Resources (55.40 million tonnes at 2.9 g/t Au for 5.076 million ounces of gold) and does not take into account the project's Inferred Resources (88.63 million tonnes at 3.8 g/t Au for 10.794 million ounces of gold). As announced in MGL's news release of 24 August 2006, the most recent rate of conversion of inferred to indicated resources has been in excess of 100% within the key deposits.

The main conclusions from the PFS indicate;

- Average annual pre tax operating cash flows of US$89.5 million over 8 years
- A pay back period of approximately 3 years
- Open pit mining probable reserves of 25.6 million tonnes @ 3.41 g/t for 2.81 million ounces of gold
- Capital and infrastructure costs totaling US$296 million include US$53 million for the construction of a hydro electric power station and US$33 million for the initial mining fleet
- Average cash operating costs of US$274 per ounce of gold
- Nominal output of 290,000 ounce of gold per annum

All design and modeling was undertaken using a US$500 per ounce cut off while base financial evaluations for the base case scenario were completed at US$600 per ounce. A nominal plant through put of 3.0 million tonnes per year was assumed for the design and engineering studies.

Moto Goldmines Limited **ARBN** 113 274 874 **Address**: 30 Ledgar Road, Balcatta, WA 6021 **PO Box** 717, Balcatta, WA 6914
Ph: (+618) 9240 1377 **Fax**: (+618) 9240 2406 **Email**: admin@crcpl.com.au

Pre-Feasibility Study

The Moto Gold Project is located in the north-east of the DRC and is a joint venture between L'Office des Mines d'Or de Kilo-Moto ("OKIMO"), Orgaman sprl and Moto Goldmines Limited.

Following the completion of a resource update and a Conceptual Study in November 2005, it was decided to progress with a PFS for the Moto Project. Lycopodium Engineering Pty Ltd and Cube Consulting Pty Ltd were appointed as the principal engineering and geological consultants respectively to manage and undertake the study. Listed below are the prime contributors to the study.

Cube Consulting	• Geological database management, interpretation and validation
	• Resource Estimation
	• Mine design and scheduling, and mine capital and operating cost estimates
IML / Ammtec	• Metallurgical testwork
Lycopodium	• Metallurgical interpretation and process plant design
	• Infrastructure design
	• Project Implementation
	• Capital and Operating Cost Estimation
Knight Piésold	• Site geotechnical and hydrological assessment, tails dam design
	• Hydropower Assessment
	• Doko to Arua Road Upgrade Assessment
SGS Ghana	• Environmental Assessment

An extensive evaluation drilling programme consisting of over 1,200 holes totalling 135,000m was completed on 12 deposits. Both RC and Diamond Core drilling were utilised with approximately 90% of the resource being defined by diamond core. Sampling, geological logging, sample preparation facilities and procedures and resource modelling have been independently audited by Snowden Consulting and were found to be of good industry standard.

Statistical and geostatistical analysis was undertaken on the mineralised material prior to grade estimation of the resources using Ordinary Kriging. Uniform Conditioning was applied to these estimates and the resources were then reported above a range of grade cut-

offs for the mining study. The resultant estimate of resources for the Moto Gold Project, above a 1 g/t gold cut-off are 55.40 million tonnes at 2.9 g/t Au for 5.076 million ounces of gold in Indicated resources and 88.63 million tonnes at 3.8 g/t Au for 10.794 million ounces of gold in Inferred resources.

A geotechnical program was undertaken with information derived from current interpretations of the geotechnical borehole logs implying that inter-berm angles of between 35° and 40° should be mined in the weathered rocks and around 48° and 53° should be mined in fresh rock. These parameters are expected to be optimised during the next phase of work

Whittle open pit optimisations were undertaken on each model based on the Indicated Resources. Mining costs were based on preliminary estimates of similar operations and were applied by depth from the surface. Open pit designs were created on the US$500/oz Indicated resources only shell for each deposit. These pit designs were staged where required. A total of 6 pits are planned to be mined in the PFS with total reserves defined within the Moto Gold Project of 25,607,538 tonnes @ 3.41 g/t. The breakdown per project area is listed below.

Cube Consulting have estimated the following probable reserves above economic plant feed cut-off grades which vary between ore bodies.

Moto Gold Project
Probable Reserves

Deposit	Oxide			Fresh			Total		
	Mt	Au g/t	Au 000oz	Mt	Au g/t	Au 000oz	Mt	Au g/t	Au 000oz
Karagba-Chauffeur	1.20	3.4	130	8.57	3.8	1,037	9.78	3.7	1,167
Kombokolo	0.11	2.3	8	0.83	3.6	97	0.94	3.5	105
Mengu Hill	1.86	3.1	187	2.23	4.2	303	4.09	3.7	489
Pakaka	1.76	2.7	152	5.76	3.5	651	7.52	3.3	803
Pamao	0.17	1.8	9	2.27	2.2	161	2.43	2.2	171
Sessenge	0.82	2.4	64	0.03	5.8	5	0.85	2.5	69
Total	**5.92**	**2.9**	**551**	**19.68**	**3.6**	**2,255**	**25.61**	**3.4**	**2,806**

Note:

- *All the mineral reserve estimates undertaken by Cube Consulting have been classified and reported in accordance with The 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004 JORC Code). The 2004 JORC reporting guidelines are equivalent to the guidelines adopted for the Canadian National Instrument 43-101.*

These probable reserves are based on the Indicated Resources of 55.40 million tonnes at 2.9 g/t Au for 5.076 million ounces of gold. The prefeasibility study does not take into account Inferred Resources of 88.63 million tonnes at 3.8 g/t Au for 10.794 million ounces

of gold. As announced in MGL's news release of 24 August 2006, the most recent rate of conversion of inferred to indicated resources has been in excess of 100% within the key deposits.

Metallurgical testwork was performed by Ammtec under the direction of Lycopodium Engineering indicates that a simple flowsheet incorporating primary crushing, SAG milling to a product size of 80% passing 106 microns, followed by a carbon in leach circuit will yield optimum recovery for oxide ores. Fresh ores will utilise the same comminution circuit followed by flotation to produce a concentrate that will be reground and then leached in the same CIL circuit.

Test data shows the ore is of low to medium competency with a Bond Ball Mill Work Index mill design of 8.5kWh/t for the oxide and 9.0 kWh/t for the fresh. No issues are expected with preg-robbing and in the composites tested gravity recoverable gold averaged 25.8% for oxide and 33.9% for fresh ores.

Nominal metallurgical recoveries are predicted to be:

Pit	Au Predicted Recovery	
	Oxide	Fresh
Karagba-Chauffeur	92.6	82.0
Kombokolo	92.6	82.0
Mengu Hill	91.3	82.0
Pakaka	94.9	66.6
Pamao	92.6	82.0
Sessenge	92.6	82.0

Infrastructure required for the project development includes roads, housing, industrial parks, community facilities, an air strip and power generation. An 18.8 MW run-of-river hydro power station was assessed and found to be feasible and it is proposed that the hydro power installation would be supplemented by diesel generators during the dry season and to assist during periods of peak loads. It is proposed that all development activities will conform to internationally accepted standards and project development will focus on sustainability and the empowerment of local communities and business. The principal access road and district roads would be upgraded to support the operations and regional development of local industries and communities.

A tailings storage facility capable of storing 100 million tonnes of tailings has been designed and it is planned to construct the facility in stages with the area below the pond being lined to prevent seepage.

The processing costs were estimated for the two ore types on the basis of hydro power being available for 83% of the time with diesel powered generators on standby during the dry season and start up. The resultant costs for oxide ore being US$5.68 per tonne and

primary ore being US$9.91 per tonne. General and Administration costs are fixed regardless of ore type and are estimated at US$2.81 per tonne of ore or US$8.43 million per year. The Project development cost has been estimated to be US$295.9 million including the mining fleet (US$33m), treatment plant, tailings and water dams, services, infrastructure, a hydro power installation (US$53.1m), pre-production, working capital and contingency. The capital cost estimate was completed to a confidence level of ± 30% with the main elements summarised in the table below.

Description	US$'000	%
Site Establishment and Construction Costs	22,000	7.4
Treatment Plant Costs	63,045	21.3
Infrastructure Costs	86,260	29.1
Mining Costs	41,970	14.2
Management Costs (EPCM and specialist consultants)	30,670	10.4
Owners Costs	20,295	6.9
Working Capital	1,840	0.6
Subtotal	**266,080**	**89.9**
Contingency	29,875	10.1
Total Capital Costs	**295,955**	**100.0**

Given the positive nature of the PFS MGL now proposes to progress with a Bankable Feasibility Study which is anticipated to be completed in 2007.

Moto wishes to thank the Government of the DRC for its ongoing support and looks forward to working with all stakeholders to successfully develop the Moto Gold Project. Moto believes that such development will result in significant benefits to all the stakeholders, including the State and the local community, and add to the reputation of the DRC as a major participant in the international resources sector.

The Management of Moto Goldmines (MGL-T) will be hosting a conference call on Monday, August 28, 2006. Details are below:

Date: Monday, August 28, 2006
Time: 9:00 am North American EST
Dial-in Numbers:
North American Dial-In Number: 18005256384
International Dial-In Number: (780) 409-1668
Conference ID: 5164934

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

Klaus Eckhof	Andrew Dinning	Nick Tintor
President and CEO	Chief Operating Officer	Vice President - Canada
Tel: (61 8) 9240 1377	Tel: (61 8) 9240 1377	Tel: (416) 987 0855
Email: eckhofk@crcpl.com.au	Email: dinning@motogoldmines.com	Email: nicktintor@yahoo.ca

MGL website: www.motogoldmines.com

Scientific or technical information in this news release has been prepared under the supervision of Greg Smith, Exploration Manager of MGL 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 information compiled by Rick Adams who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a qualified person under National Instrument 43-101. Rick Adams is a director of Cube Consulting Pty Ltd. Rick Adams has sufficient 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 December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code).Rick Adams consents to the inclusion in this report of the Information, in the form and context in which it appears.

The Information in this report that relates to Ore Reserves is based on information compiled by Quinton de Klerk who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a qualified person under National Instrument 43-101. Quinton de Klerk is a director of Cube Consulting Pty Ltd. Quinton de Klerk has sufficient 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 December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Quinton de Klerk consents to the inclusion in this report of the Information, in the form and context in which it appears.

Caution Regarding Forward Looking Statements: Statements regarding MGL'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.

Appendix 1

Reserve Estimate for Moto Gold Project Deposits – Net Attributable (in accordance with AIM rules)

MGL's net attributable share of probable reserves based on the estimate by Cube Consulting (at a nominal 1 g/t Au lower cutoff) is as follows:

Moto Gold Project Probable Reserves							
Deposit	**MGLs Earn-In Interest %**	**Gross**			**Net Attributable**		
		Mt	**Au g/t**	**Au 000oz**	**Mt**	**Au g/t**	**Au 000oz**
Karagba-Chauffeur	60.0	9.78	3.7	1,167	5.87	3.7	700
Kombokolo	68.5	0.94	3.5	105	0.64	3.5	72
Mengu Hill	60.0	4.09	3.7	489	2.45	3.7	293
Pakaka	60.0	7.52	3.3	803	4.51	3.3	482
Pamao	60.0	2.43	2.2	171	1.46	2.2	103
Sessenge	60.0	0.85	2.5	69	0.51	2.5	41
Total		**25.61**	**3.4**	**2,806**	**15.45**	**3.4**	**1,691**

Appendix 2

Glossary of Terms

"Diamond drilling"	This technique involves a pipe encrusted in industrial diamonds being used to drill through rock layers, with a "core" of rock being left in the centre of the pipe. The "core" of rock can be retrieved for logging and sampling.
"Probable"	The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource as determined under the JORC Code.
"Indicated"	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence as determined under the JORC Code.
"Inferred"	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence as determined under the JORC Code.
"JORC Code"	The Australasian Code for Reporting of Mineral Resources and Ore Reserves, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
"Mineral Resource" or "Resource"	A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction.
"Ordinary Kriging"	A mathematical method that uses linear weighted combinations of the available data to estimate unbiased block grades with the aim of minimizing the variance of the error.
"RC drilling"	This technique employs a dual walled string of drill rods, with a compressed air driven percussion hammer at the end of the drill string. The type of hammer used at Moto is known as a "Center Sample Hammer" with a hollow center that allows the sample to pass into the dual wall drill pipe right at the face of the drill bit. The rock fragments will be taken up and will pass through hollow tubing, until the chippings and fluids reach a "cyclone." The cyclone separates out the rock fragments from the drill medium and presents them to a sampling device.
"Resource Domains"	Individual concentrations of mineralization separated geographically or statistically from each other.
"Uniform Conditioning"	A mathematical method that allows the discrimination of ore and waste at a selective mining unit size within an estimated panel of significantly larger size. In theory, this provides a more accurate prediction of estimated resource grade above a cut off.