

Quarterly Report

Period ending 31 March 2018



Minotaur Exploration Limited ACN 108 483 601 ASX: MEP
www.minotaurexploration.com.au

Corporate

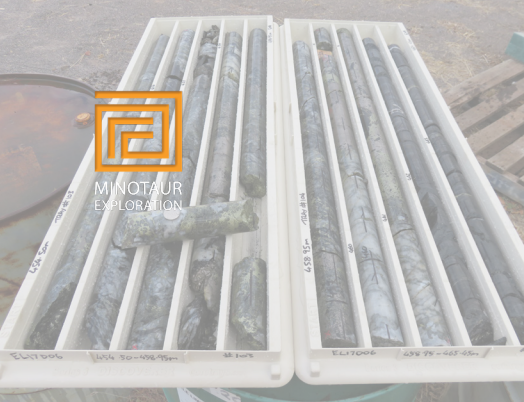
Minotaur's strategy is based on a suite of principal drivers to build shareholder value: expand our footprint over base metal (and primarily copper) prospective terranes; discover economic mineralisation and seek to advance our deposits into mine development; strengthen our joint venture arrangements thereby attracting higher levels of investment into projects; divest non-core assets, monetising value to the extent possible and, search out bolt-on acquisitions that will contribute to Company growth.

Work proceeds on all of these endeavours and several positive outcomes have been logged in 2018.

- A small package of nickel prospective tenements, in Western Australia near Leinster, was vended into a private group seeking to consolidate a large tenement holding and substantial mine infrastructure in the area. The group intends to list its new nickel portfolio on ASX later in the year. The vend-out frees Minotaur from tenement maintenance and expenditure commitments for a ground holding which is considered not a priority. Through its A\$1 million value shareholding in the to-be-listed vehicle Minotaur will retain upside exposure to the intending nickel mining business (upon successful IPO).
- Minotaur secured an Option period of 60 days in which to conduct due diligence on Andromeda Metals Ltd's (ASX: ADN) 'Rover' copper project south-west of Tennant Creek in the Northern Territory. Rover includes an extension of the adjacent Rover1 deposit¹ owned by Westgold Resources Ltd (ASX: WGX). During the due diligence period Minotaur intends to trial its ground electrical geophysical techniques, as successfully employed near Cloncurry in Queensland, to establish whether these methods could provide alternative search options to conventional magnetic and gravity sensing. Should that be demonstrated a joint venture will be formed and Minotaur will have the opportunity to earn up to 75% interest in the project for expenditure of A\$5 million over 6 years. Early stage exploration success by Minotaur could encourage follow-on participation by a well-funded, mid-tier resources group able to itself earn project equity through substantial exploration investment.
- The Company's kaolin-halloysite deposits in the west of South Australia are similarly subject to a 60 day Option due diligence period by Andromeda Metals, upon successful conclusion of which Andromeda and Minotaur will form a joint venture allowing Andromeda to invest up to A\$6 million in the assets over 5 years to earn 75% interest. Andromeda intends to focus mainly on the high purity alumina (HPA) potential offered by conversion of kaolin ('china clay' or nanoclay) into HPA for advanced industrial uses. Appointment by Andromeda of an internationally experienced kaolin marketing and product development expert enhances the project's future and potentially brings significant new investment to the asset, against which Minotaur will retain 25% exposure. This development reduces Minotaur's overheads and directs the Company's focus onto its base metals portfolio.
- Early stage interest in the Saints nickel deposit, Kalgoorlie, WA, has been expressed by several parties, both private groups and listed resource companies. Minotaur is considering these incomplete and indicative proposals and will determine whether divestment or retention of the project is in shareholders' best interests, with a decision expected in the new Quarter.

At end March 2018 cash held was A\$2.99 million, inclusive of \$1 million in joint venture payments received in advance. Planned expenditure in the new Quarter is approximately \$1 million.

¹ See Westgold Resources webpage www.westgold.com.au/projects/rover/



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EXPLORATION, R&D

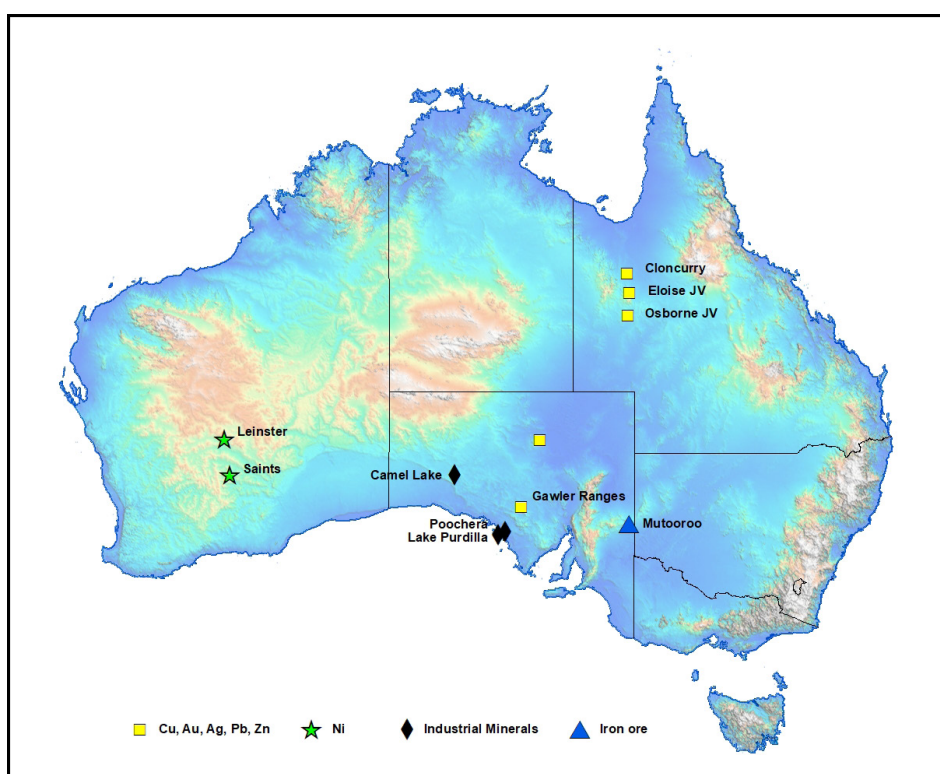
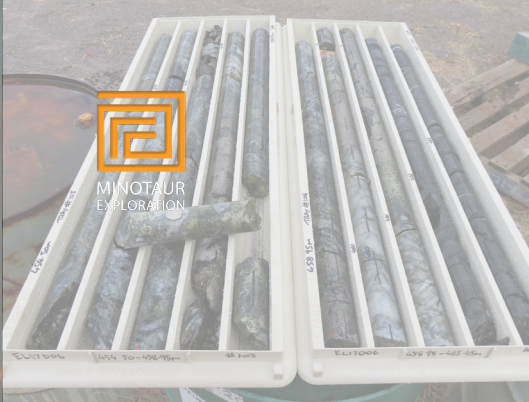


Figure 1: Minotaur Exploration's project locations

Project Location	Tenement Area km ²
South Australia ^s	8,554
Queensland ^s	2,516
Western Australia	187
Total Area	11,257

Table 1: Minotaur Exploration's tenement areas, under application and/or held 100% and/or in joint venture^s



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Queensland

Minotaur has significant tenement holdings across the Cloncurry mineral belt of Northwest Queensland, prospective for iron oxide copper-gold (IOCG), iron sulphide copper-gold (ISCG) and Cannington-style lead-silver-zinc mineral systems (Figure 2).

The 2018 field exploration season commenced late in March, upon abatement of the 'wet season', with ground geophysical surveys underway at the Eloise joint venture project. Diamond drilling resumed in April.

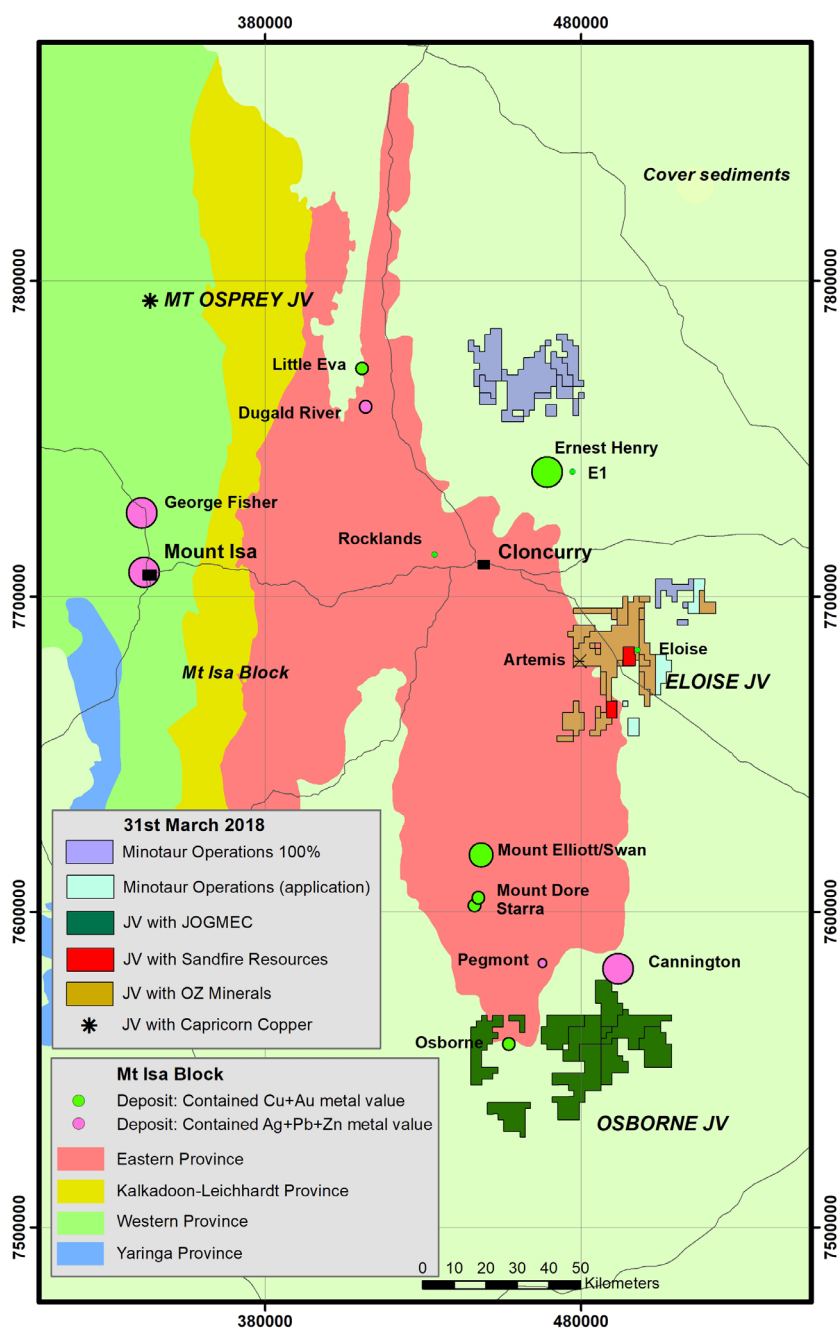


Figure 2: Location of Minotaur tenements in the Cloncurry region of Northwest Queensland



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QUEENSLAND

Eloise Farm-In (OZ Minerals)

Minotaur 49%, OZ Minerals 51% (except on those parts of MDL431 and EPM17838 where Sandfire Resources NL can earn 80%); Area 644km²

The Eloise project, 55km south-east of Cloncurry, is a joint venture ('Eloise JV') between Minotaur and OZ Minerals Ltd (ASX: OZL). OZ Minerals completed its A\$5M Stage 1 earn-in during the Quarter and now has 51% beneficial interest in the tenements. Work currently underway forms part of the Stage 2 earn-in where OZ Minerals may earn additional 19% equity by spending an additional A\$5M over the next three years. OZ Minerals has appointed Minotaur to be the continuing manager and operator of the joint venture.

The Eloise JV is seeking Eloise-style copper-gold and Cannington-style silver-lead-zinc mineralisation, with both styles evident in the well-endowed mineral camp around the Eloise, Altia and Maronan deposits and the Jericho prospect recently discovered by Minotaur (Figure 3).

Minotaur commenced an infill ground Electromagnetic (EM) survey late in March. The EM survey covers conductive anomalies at 'Jericho', 'Arlington', 'Defiance', 'Yukon' and 'St Louis', all identified in 2017 along 10km of the Levuka Shear zone (Figure 3). First-pass, 2017 drilling into the Jericho system intersected strong copper-gold mineralisation in two EM plates, including 27m @ 2.42% Cu and 0.71g/t Au in hole EL17D06 (J2 conductor) and 46m @ 0.74% Cu and 0.17g/t Au in hole EL17D09 (J1 conductor). The new survey, at 400m-spaced lines with 50m station spacing, generates higher data density, providing better definition of the known conductors for input to drilling. A total of 35 line kilometres of EM data is being acquired on 23 lines; the survey will be complete by the end of April.

Drilling resumed at Jericho in April. A 5,000m drilling program is testing conductive anomalies at Jericho, Arlington, St Louis, Defiance and Yukon, all positioned along the Levuka Shear zone.

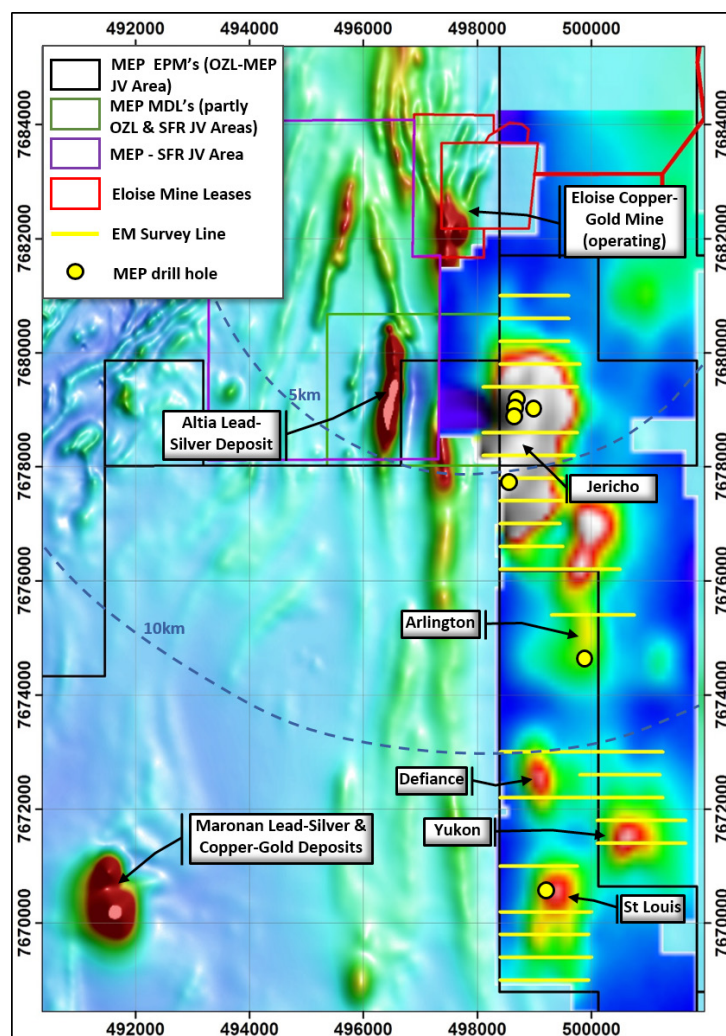


Figure 3: 2017 EM conductors and drill hole locations from the 2017 exploration work program and new EM survey grids (yellow lines)



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QUEENSLAND

Altia Joint Venture

Sandfire 60%, Minotaur 40%

No activity reported for the Quarter by Sandfire Resources (Operator).

JOGMEC Osborne Joint Venture

Minotaur 100%; Area 1,686km²

The Osborne project is a joint venture between Minotaur and Japan Oil, Gas and Metals National Corporation (JOGMEC). JOGMEC may earn up to 51% equity in the project by spending up to A\$3.5M. Project expenditure to date is A\$2.9M with further A\$0.6M budgeted through to the end of 2018. Planning is finalised for a ground EM survey southwest of the Cannington mine, where Minotaur has been awarded exploration funding for up to \$112,750 of the survey costs as part of the Queensland Government's Collaborative Exploration Initiative.

Regional Cloncurry Project

Minotaur 100%, except in relation to EPM 8608 which has a net smelter royalty of 2% payable to South 32; Area 618km²

Minotaur seeks to introduce a new JV partner into the tenement package.



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South Australia

Prominent Hill Project

Following a review of the trial phase of collaboration in the vicinity of the Prominent Hill mine OZ Minerals and Minotaur Exploration mutually decided to discontinue the work, concluding that regional prospects for shallow copper mineralisation are limited. The Alliance effort and aims were nonetheless worthy as they provided a constructive model for mid tier - junior explorer cooperation, on which to strengthen their continuing relationship.

Gawler Ranges Project

Minotaur 100%; Area 311km²

No activity during the reporting period.

Border Base Metals JV

Sumitomo 52.7%, Minotaur 47.3%; Area 243km²

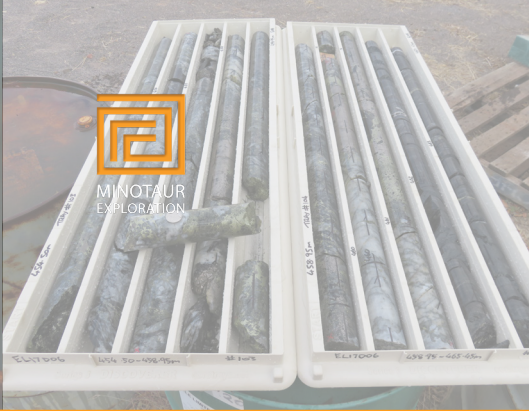
No activity during the reporting period.

Industrial Minerals Project

Minotaur 100%; Area 5,068km²; Andromeda Metals with Option to farm-in to Kaolin assets

A review of preliminary test results assessing suitability of Carey's Well kaolin to upgrade into high purity alumina (HPA) encouraged Minotaur to commission commercial laboratory trials to confirm HPA quality compliance. Results from that work are imminent. Andromeda Metals (ASX: ADN, 'Andromeda') has been granted a 60 day Option and exclusivity period, for payment of A\$70,000, in which to conduct due diligence on the deposit's potential to meet market requirements for HPA product. Should Andromeda proceed into the earn-in phases of the joint venture, under which it must expend a minimum A\$400,000 by late January 2019, it may acquire up to 75% beneficial interest in the kaolin-halloysite tenements EL5308, EL5814, EL6096 and EL6128, for total expenditure of A\$6 million over 5 years.

Andromeda has engaged Mr James Marsh, an industrial chemist and world kaolin industry expert, as its new managing director. James was employed by Minotaur in 2010-2011 to oversee development and specification of Carey's Well kaolin hydrometallurgical products for the international market.



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SOUTH AUSTRALIA

That work established the deposit as 'world class' exhibiting 'brightest' and 'whitest' purity standards globally.

Minotaur welcomes Andromeda's potential commitment to advancing the kaolin project to commercial standard and looks forward to that significant investment delivering, for Minotaur as 25% owner, future operational benefits.

North Flinders Project

Minotaur 10%, Perilya 90%; Area 601km²

No activity reported for the Quarter by Perilya (Operator).



Western Australia

Saints Nickel Project

Minotaur 100%; Area 20km²

Saints is a modest nickel-cobalt resource located 65km north of Kalgoorlie, Western Australia. With the improving nickel price and the high value of cobalt, Minotaur resumed a ground EM survey in late March, extending the 2014 EM survey, to locate additional targets for possible drill testing (Figure 4). Data will be compiled in the new Quarter.

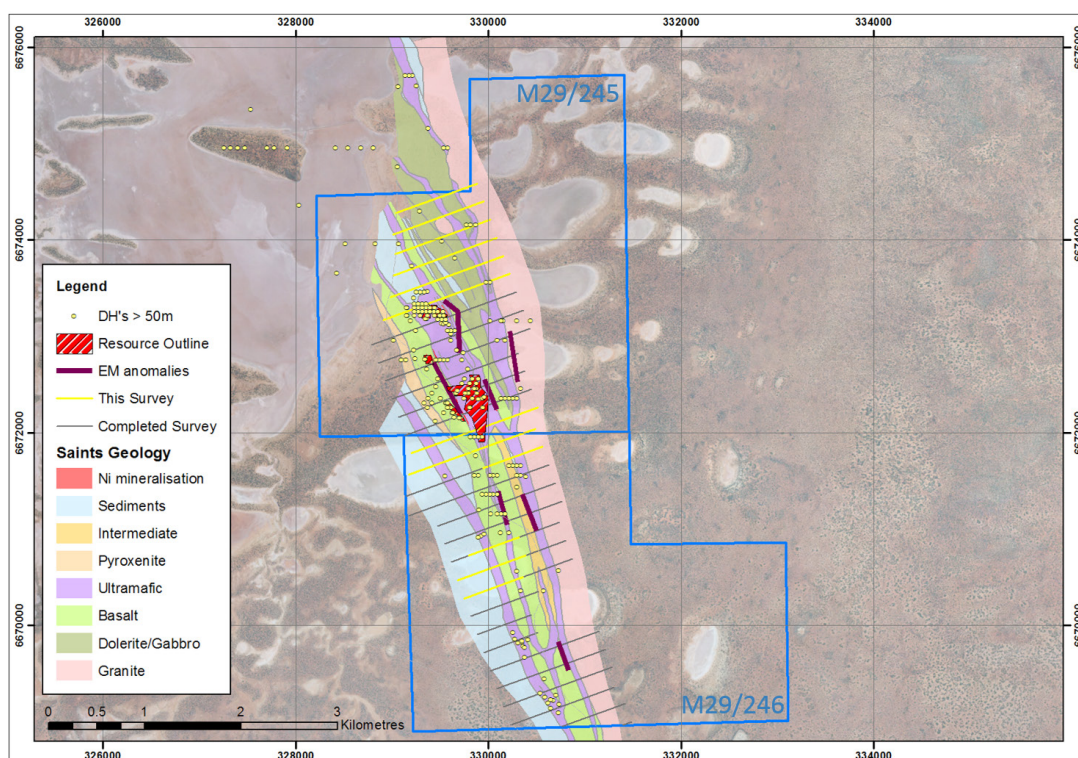


Figure 4: EM survey area, previously defined EM conductors, drill holes >50m deep and Saints Ni-Co mineral resource. Note: the resource dips moderately west therefore the eastern edges are the top of mineralisation which matches well with EM conductors.

Leinster Nickel Prospects

Minotaur 100%; Area 167km²

No exploration activity during the Quarter.



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Northern Territory

Rover Copper-Gold Project, Tennant Creek

Andromeda Metals 100%, EL27292, 27372; Minotaur with Option to farm-in

Minotaur and Andromeda Metals also formulated a joint venture whereby Minotaur may farm-in to Andromeda's Rover copper-gold project 85km southwest of Tennant Creek (Figure 5). Past drilling by Andromeda established high-grade Cu-Au intersections² and, through geophysics, the existence of a 20km long structural corridor. Rover mineralisation is an extension of the adjacent Rover1 deposit³, held by Westgold Resources Ltd (ASX: WGX), also interpreted as Tennant Creek style ironstone hosted copper-gold-cobalt deposits.

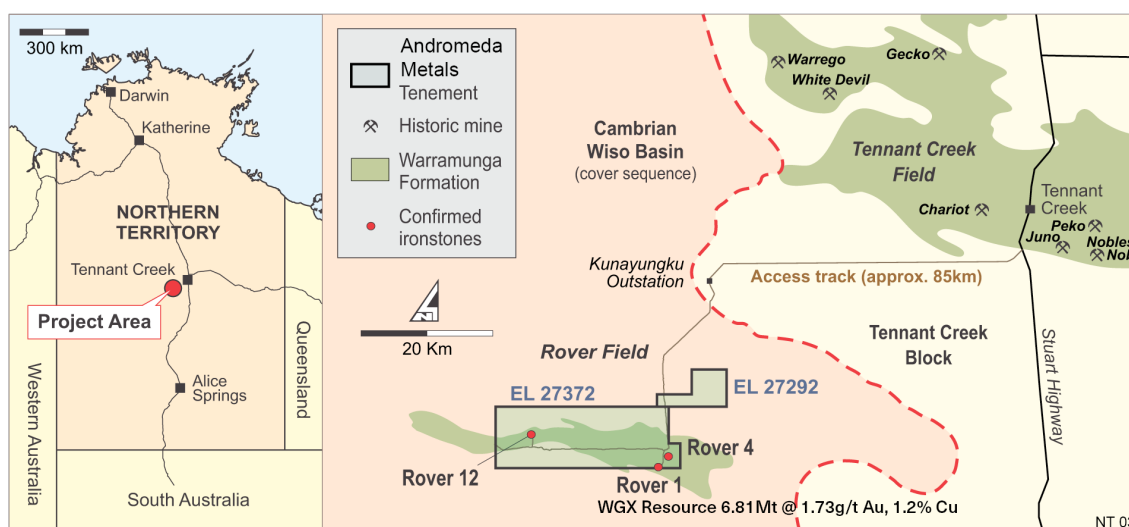


Figure 5: Location of Rover Cu-Au project

Minotaur will, as part of its due diligence prior to entering into the proposed joint venture, deploy its surface geophysical tools and geological expertise to assess their applicability to locate 'blind' base metal mineralisation within the Warramunga metasediments.

² Andromeda Metals reports to ASX dated 15 October 2007, 9 December 2009 and 1 March 2012

³ Westgold Resources Ltd report to ASX dated 4 September 2017, 2017 Annual Update of Mineral Resources and Ore Reserves



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COMPETENT PERSON'S STATEMENT

Information in this report that relates to Exploration Results is based on information compiled by Mr G. Little, a Competent Person and a Member of Australian Institute of Geoscientists (AIG). Mr Little is a full time employee of the Company and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Little consents to inclusion in this document of the information in the form and context in which it appears.

Note: March 2017 Quarter ASX Announcements

The following significant announcements were lodged with ASX during and since the March Quarter:

- Copper-gold assays establish discovery potential at Jericho, 24 January 2018
- Alliance activity concludes, 8 February 2018
- Eloise JV gears up, 21 February 2018
- EM survey underway at Saints nickel-cobalt project, 26 March 2018
- Infill EM survey underway at Eloise JV, 29 March 2018
- Drilling resumes at Eloise JV, Cloncurry, 11 April 2018
- Minotaur farms-in to Rover Cu-Au project, Tenant Creek, 16 April 2018
- Minotaur sells Leinster tenements, WA, 16 April 2018
- MEP_Investor Presentation, 16 April 2018
- Strategic farm-out to advance kaolin-halloysite assets, 26 April 2018

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