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RESOURCE BULLETIN by Gavin Wendt

Friday 30th September, 2016

Follow-UP Drilling at Iris Prospect - Portfolio Stock (coverage initiated @ $0.06 in Sep 2015)

Minotaur Exploration (ASX: MEP, Share Price: $0.12, Market Cap: $25m) is one of our most respected exploration plays – maintaining a strong and diverse portfolio of exploration projects, a well-credentialed exploration team, together with solid cash reserves and high-profile joint venture partners that ensure a high-level of exploration activity. It also maintains Sprott Group as a 12.63% shareholder.

Minotaur has advised that following the encouraging breccia-hosted visible copper mineralisation intersected in two maiden drill-holes at its Iris prospect near Cloncurry, the Eloise Joint Venture has committed to an additional four diamond drill-holes to test for extensions to the breccia zone.

Market Significance

Minotaur's share price performance over recent months has firstly been driven by activity revolving around its Chameleon gold deposit in WA, with its share price hitting a (then) 12-month high of $0.093 in mid June on the back of robust drilling results that demonstrated high grades, followed by a maiden JORC 2012 Resource estimate. Minotaur's share price has since hit a fresh 12-month high of $0.125 in today's trade on the back of positive initial results from drill-testing of base metal targets around its Eloise project in Queensland and OZ Minerals' Prominent Hill project in South Australia.

Announcement Detail – Drilling Update at Iris Prospect

In our most recent coverage of Minotaur on 19th September and 27th September, we outlined the company's revised exploration program, with drilling underway for copper and other base metals within two highly-endowed geological provinces - the Olympic Dam domain in South Australia and the Cloncurry region in Queensland. Both programs involve OZ Minerals as partner, but under differing arrangements.

Iris Prospect

In light of the encouraging breccia-hosted visible copper mineralisation intersected in the two maiden drill holes at Iris that we reported in our coverage on 27th September 2016, the Eloise Joint Venture has committed to an additional four diamond drill-holes to test for extensions to the breccia zone. Drilling of the first hole, down-dip of drill-hole EL16D05, is underway and the program is expected to take four weeks to complete.

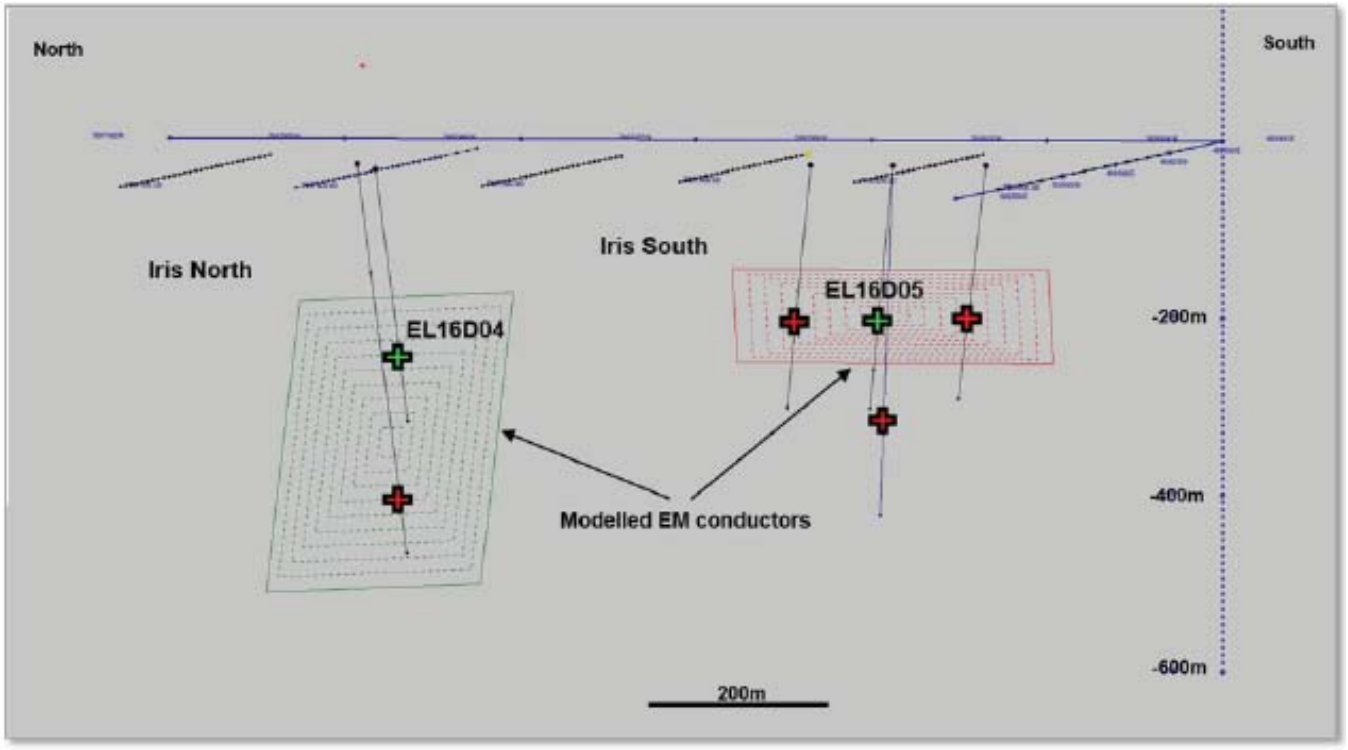

Figure 1: Long Section of Iris Prospect (looking east-northeast) showing original EM conductor plate models, approximate locations of the points piercing the plates by holes EL16D04 and EL16D05 (green crosses) and the approximate location of the pierce points for the 4 proposed additional holes (red crosses).

As previously reported, Minotaur reappraised its ground EM data along strike north of Iris and defined two new conductors, named 'Electra.' These features potentially represent sulphide breccia bodies, as intersected in the recent drilling at Iris. The joint venture has committed to infilling and extending the EM survey to encompass 3.5km of strike, in order to map out the full extent of the conductors north and south of Iris. The ground survey is set to commence during mid-October and will take 3-4 weeks to complete.

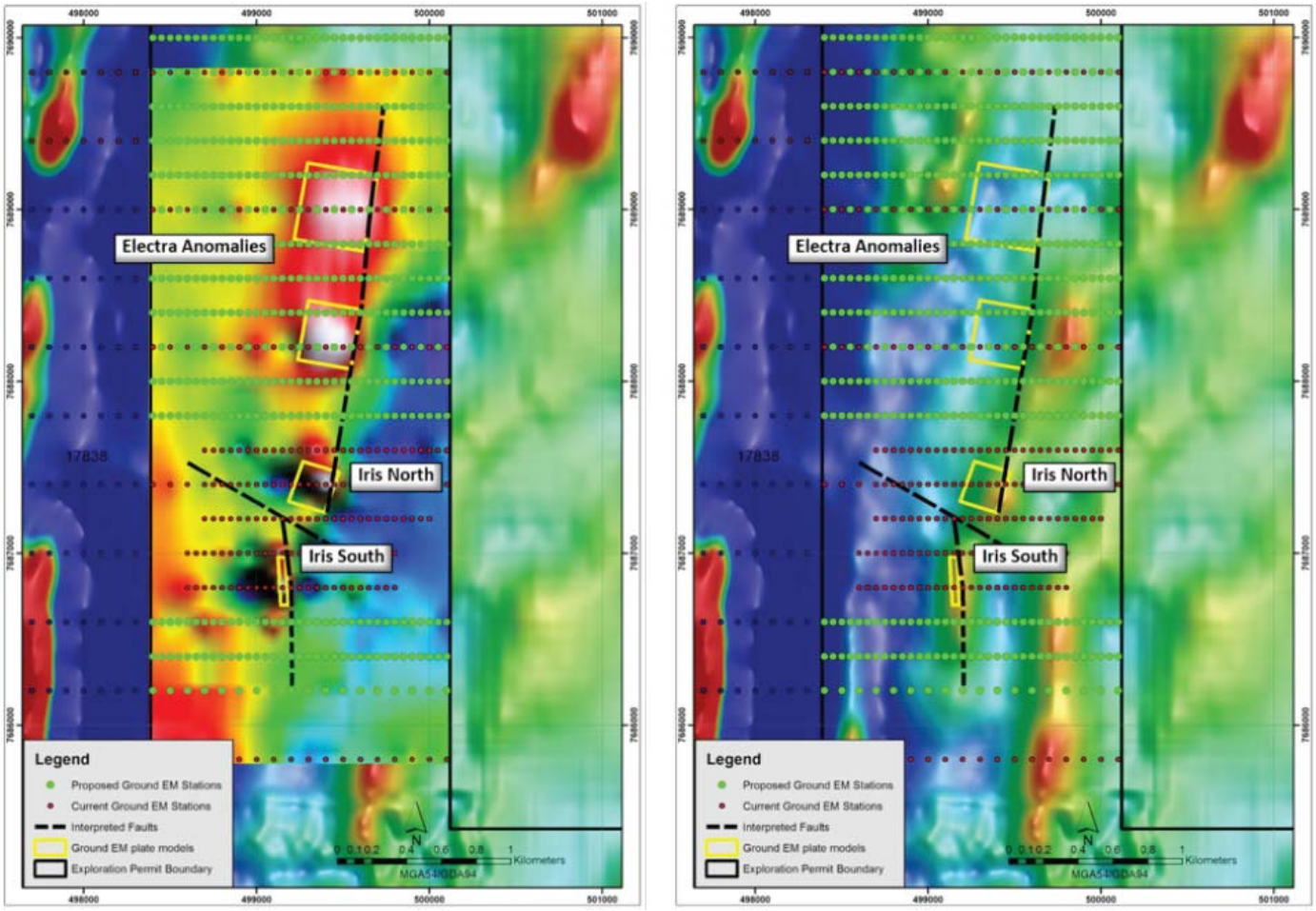

Figure 2: Proposed additional EM survey extension lines shown as green dots. a) left image shows gridded conductivity (red and white zones are conductive) of the X-component EM data of channel 35 over RTP1VD magnetics. Yellow polygons are the modelled conductive plates. b) right image shows conductive plates over RTP1VD magnetics.

Project Overview - Eloise Joint Venture, Queensland

The joint venture partners, Minotaur and OZ Minerals, are targeting Cannington-style silver-lead-zinc and Eloise-style copper-gold mineralisation, situated 55km southeast of Cloncurry. OZ Minerals is farming into Minotaur's tenements via an initial $1.5 million spend during 2016. Ultimately, OZ Minerals could earn a 70% stake by investing $10 million in the ground.

With the benefit of OZ Minerals' funding, Minotaur prior to drilling completed extensive ground gravity and electromagnetic (EM) surveys along the Levuka Shear Zone - north of the existing Eloise copper mine, locating three strong EM conductors about 5km from the mine.

All targets lie within 5km of the operating Eloise copper-gold mine (historical production of ~10 million tonnes @ 3.5% copper and 0.9g/t gold, presently mining from +1,200 metres below surface) and within 10km of the Altia base metals resource (5.8 million tonnes at 4% lead, 40g/t silver and 0.5% zinc, a joint venture between Minotaur and Sandfire Resources, (ASX: SFR) earning 80%), and within 15km of the large Maronan lead-silver and copper-gold deposits (31 million tonnes at 6.5% lead and 106g/t silver and 19 million tonnes at 1.2% copper and 0.6g/t gold).

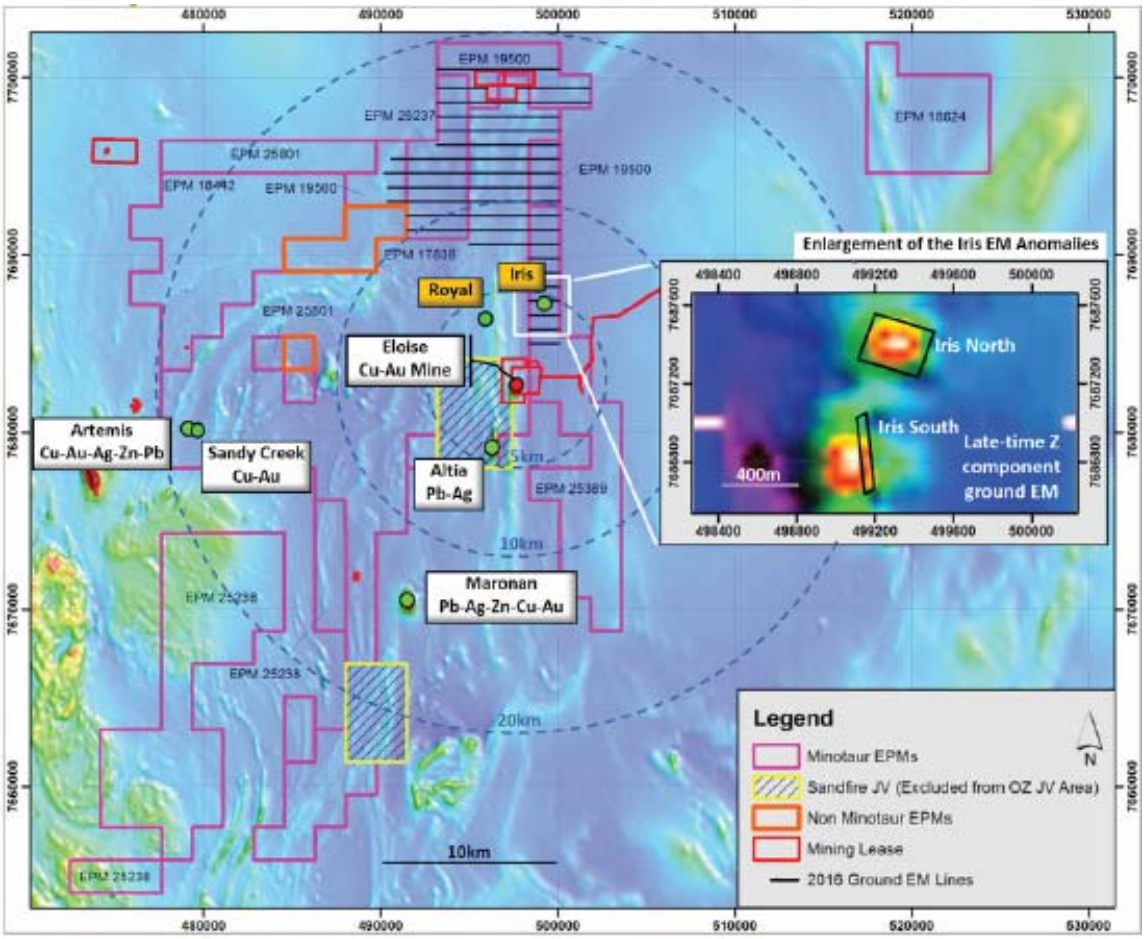

Figure 3: Minotaur's 'Eloise' tenements and the new 'Royal' and 'Iris' ground EM targets over magnetics, referenced to the Eloise copper-gold mine, owned and operated by FMR Investments Pty Ltd. Locations of Altia and Maronan base metals deposits shown

The Iris and Royal anomalies lie just 135 metres below surface and represent high-conductance indicators to the presence of sulphide mineralisation, potentially containing base metals. In geological terms these prospects sit within, or immediately adjacent to, interpreted Mt Norna Quartzite, a regionally-significant rock unit that hosts the Eloise and Osborne copper-gold mines and the Cannington silver-lead-zinc mine.

Iris Anomalies

Positioned on a probable splay on the east side of the Levuka Shear, the Iris anomalies would ordinarily be invisible to standard geophysical tools, located as they are inside a large area of magnetically-quiet rocks not normally a target for undercover exploration. Minotaur, however, targeted the low-magnetic zones along the eastern side of the mineralised Levuka Shear, specifically for conductive sulphide bodies, using state of the art ground EM techniques that have been effective elsewhere in the project area.

Minotaur's model for the Iris targets is Iron-Sulphide Copper-Gold (ISCG) mineralisation, similar in style to Eloise. Both targets lie under approximately 120 metres of younger cover. One cored drill-hole has so far been completed as a first-pass test of Iris North (EL16D04) and Iris South (EL16D05) EM conductors. Quartz-pyrrhotite-chalcopyrite (chalcopyrite, CuFeS2, is a copper iron sulphide mineral, with composition

34.5% Cu) has been intersected in each of the holes at positions as predicted from modelling of the EM data.

Minotaur notes that the holes are not expected to contain ore-grade mineralisation based on visual estimates, with laboratory assays expected in 2-3 weeks.

In light of positive drill results at Iris - where copper sulphide is clearly associated with the EM conductors - Minotaur re-processed its local ground EM lines north and south of the Iris targets to look for additional anomalies along-strike, under cover. Close analysis of the data revealed subtle conductive anomalies on two of those recent 800-metre-spaced lines north of Iris North at 'Electra', indicating the Iris conductive zone may extend up to 1.5km further north. The modelled conductance of these anomalies is higher than those modelled at Iris North and South.

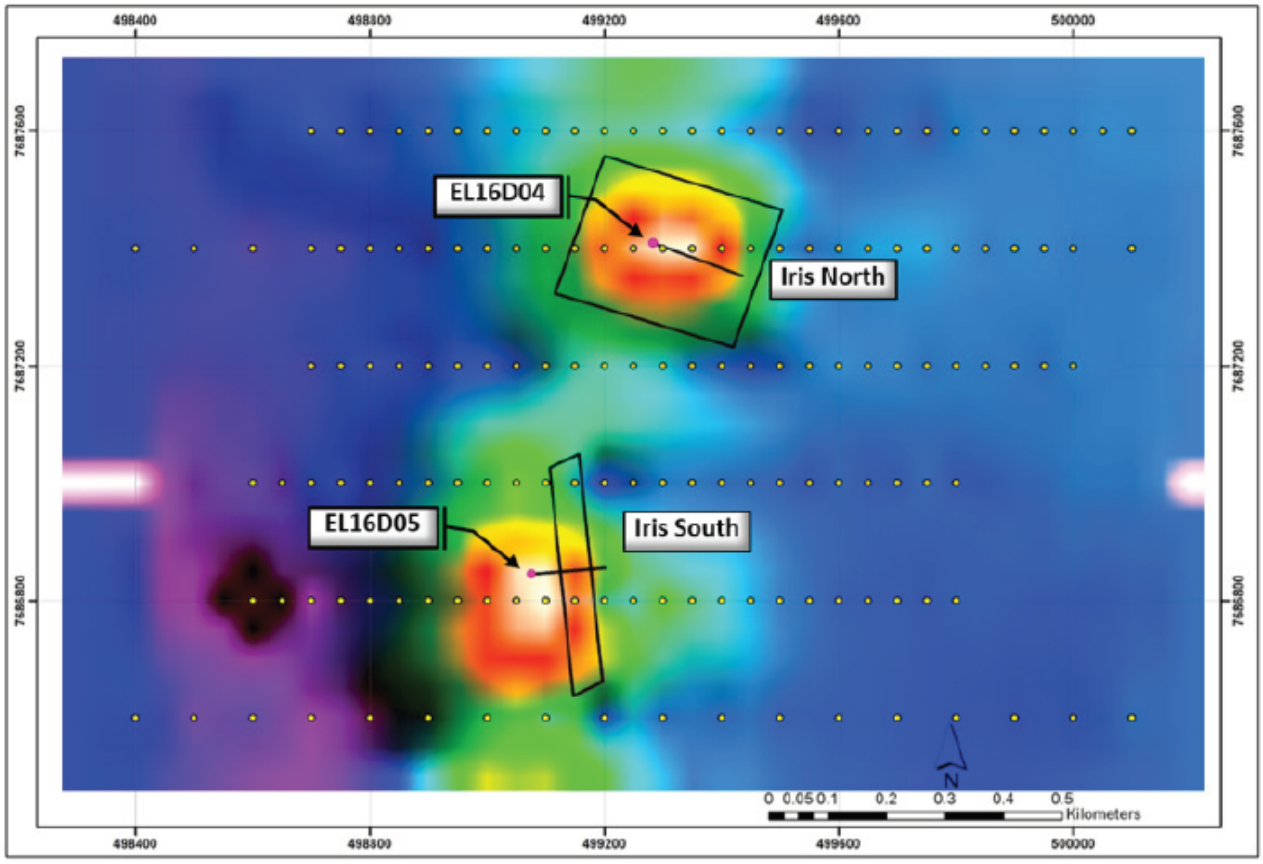

Figure 4: Late time Z-component EM image (plan view) of Iris North and Iris South conductors with recently completed drill-holes EL16D04 and EL16D05

Technical Significance

Minotaur considers the breccia texture and sulphide mineralogy in each hole at Iris North and Iris South as sharing strong visual similarities to those developed at the nearby Eloise copper-gold deposit. Their similarities provides significant encouragement for Iris, particularly given the two holes lie 600 metres apart and are the first to have tested this new prospect. The joint venture is encouraged by the geology in each hole and sees potential for a large sulphide system at Iris.

Minotaur comments that it is reasonable to compare these with BHP's first drill-hole VO-DDH71 that tested the 'Eloise North' EM conductor in 1986. That hole intersected a patchy pyrrhotite-chalcopyrite veinlet-stringer zone containing low-grade copper, averaging approximately 0.1% across the zone, with a maximum copper assay of 0.51% over a 3-metres interval. The hole provided sufficient encouragement for BHP to continue testing local EM anomalies, leading to discovery of the Eloise deposit only 300 metres to the south, the following year.

Royal Anomaly

The Royal anomaly lies along a complex structural zone on the western side and in the central portion of the Levuka Shear Zone, north of the Altia lead-silver-zinc deposit 5km northwest of the Eloise mine. It is prospective for copper-gold and silver-lead-zinc styles of mineralisation. Royal is a relatively large modelled conductor up to 1,200 metres long, with graphitic host rocks similar in style to the Dugald River zinc deposit.

A single cored hole, EL16D06, testing the Royal EM conductor has been completed to a depth of 361.3 metres, intersecting graphitic siltstone and schist in the target position. The hole does not contain any visible base metal sulphide mineralisation, however representative samples will be sent to the laboratory for analyses to determine if there are precious metals present. Pending assays, it does appear the target has been adequately tested.

Summary

We initially covered Minotaur Exploration at a price around $0.06 during September 2015 - representing a current gain of 100%.

The company is a well-credentialed explorer with an extensive Queensland exploration portfolio, along with acreage in Western Australia and South Australia. Whilst maintaining 100% ownership of a large chunk of its acreage, it also maintains important relationships and joint ventures with high-quality partners, including OZ Minerals.

Attention has now shifted to its Eloise and Prominent Hill joint ventures in Queensland and South Australia with OZ Minerals. The cornerstone support of Sprott Group with a 12.63% stake also represents a strong endorsement of Minotaur's strategy and overall prospects. Accordingly, Minotaur Exploration will remain firmly held within our Portfolio.