

Quarterly Report

Period ending 30 September 2018



MINOTAUR
EXPLORATION

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

CORPORATE

Minotaur's Annual General Meeting will be held in Adelaide on Wednesday 28 November 2018. A Notice of Meeting will be dispatched to all shareholders on or about 26 October 2018.

During the reporting period:

- A binding sale agreement for a gold prospective tenement E37/909 between the Thunderbox and Bannockburn gold mines near Leinster was agreed between Minotaur and PVW Resources NL, a gold prospecting company intending to seek listing on ASX prior to the end of the year. Consideration is \$100,000 cash plus shares in the new listing to value of \$150,000. PVW has agreed to provide Minotaur's shareholders the right to apply for a priority allocation of shares in its float, upon release of its Prospectus. Details are available on Minotaur's web page.
- A proposal made to Minotaur for the Saints nickel deposit to be vended into a reverse takeover failed to proceed. In the alternative, Minotaur has opened discussions with other groups who have been invited to provide acquisition offers for the Saints tenements.
- 3 of 4 new exploration tenement applications were granted covering 2,547km² in South Australia; 'Peake and Denison'. Refer Exploration Report for details of work underway.
- Minotaur's share price suffered a 30% decline during the Quarter, broadly consistent with the junior market. Nonetheless, directors note that the trend was counter intuitive to the Company's high level of activity and positive news events throughout. The Board expects the trend will reverse as better appreciation of Minotaur's prospects unfolds.

At end September 2018 cash held was A\$2.5 million.

EXPLORATION, R&D

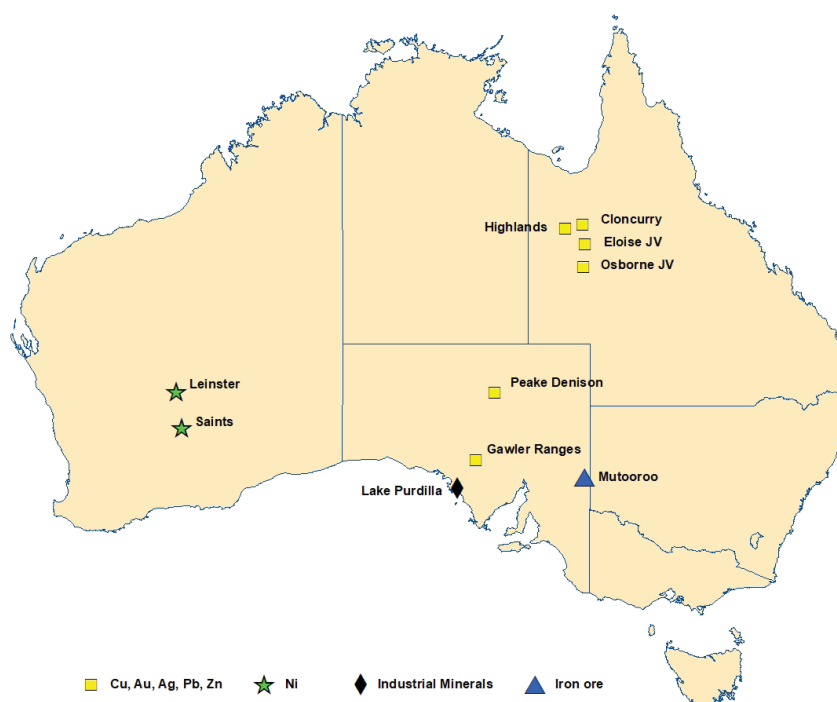


Figure 1: Minotaur Exploration's project locations

Project Location	Tenement Area km ²
South Australia ^s	7,103
Queensland ^s	2,663
Victoria	120
Western Australia	196
Total Area	11,902

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

Queensland

Minotaur has a significant tenement holding 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 Cloncurry region is Minotaur's primary activity hub, seeing continuation of drilling and new regional geophysical surveys at Eloise JV, completion of ground geophysical surveys at Osborne JV plus inaugural field work at the new Highlands project.

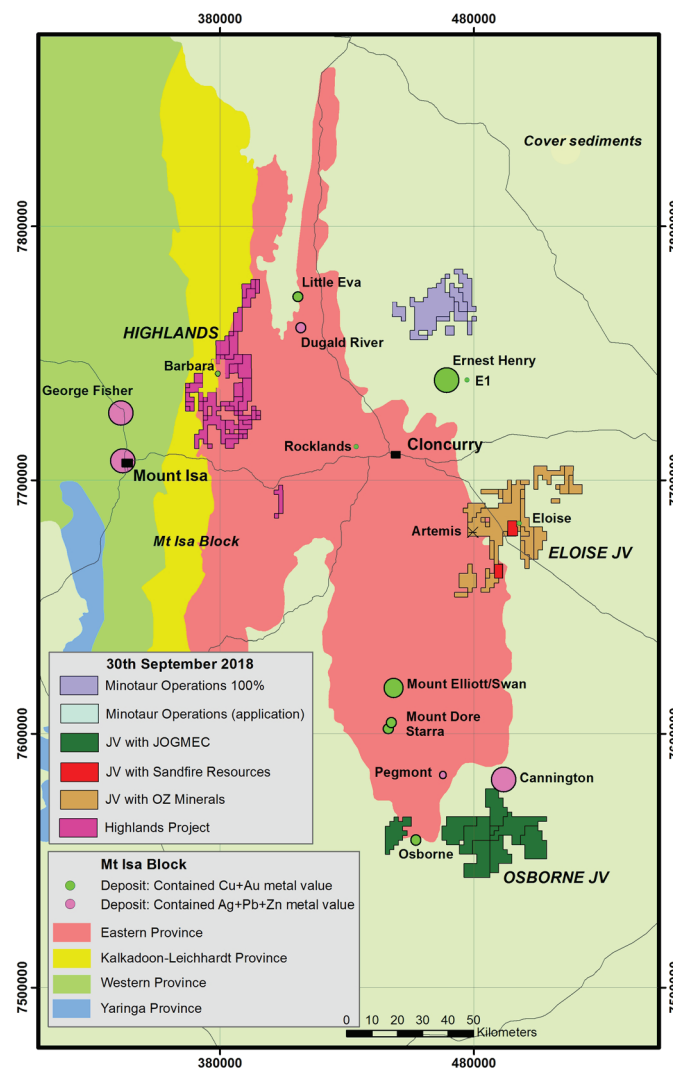


Figure 2: Location of Minotaur tenements in the Cloncurry and Mount Isa regions of Northwest Queensland

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Eloise Farm-In (OZ Minerals)

Minotaur 49%, OZ Minerals 51% (except on those parts of MDL431 and EPM17838 where Sandfire Resources NL 60% and Minotaur 40%); Area 766km²

The Eloise project (Figure 3), 55km south-east of Cloncurry, is a joint venture ('Eloise JV') between Minotaur and OZ Minerals Ltd (ASX: OZL). OZ Minerals 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% interest by spending A\$5M over the next 3 ½ years (for total investment of \$10M).

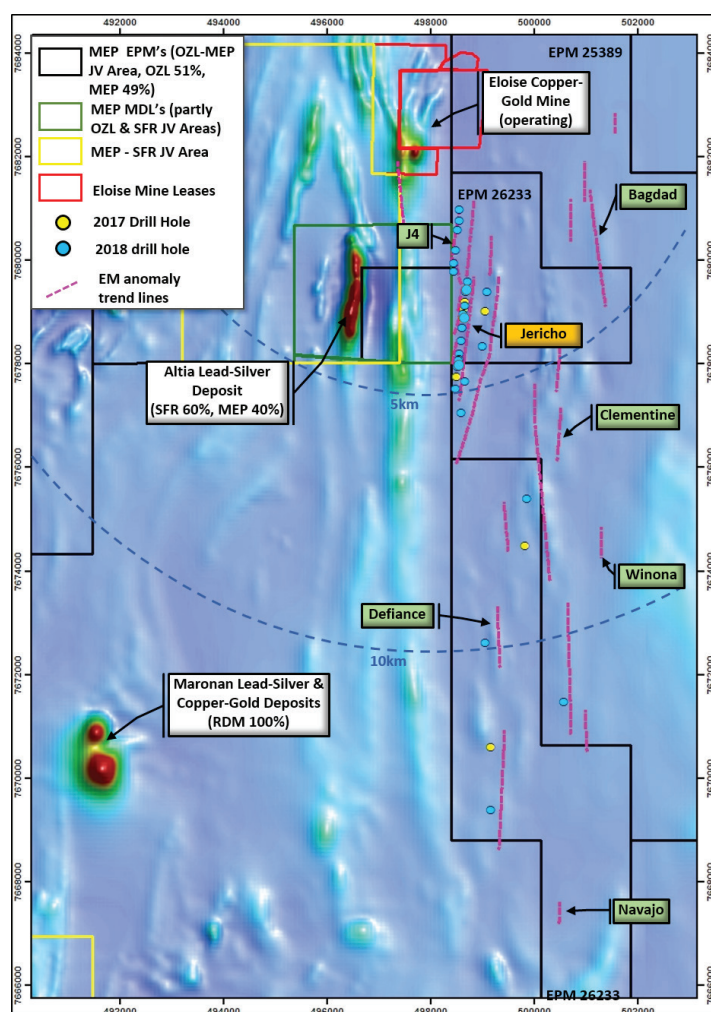


Figure 3: Jericho and nearby EM drill prospects south of the Eloise mine

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Jericho

The Jericho system comprises 2 sulphide enriched EM conductors named J1 and J2 (Figure 4). Drilling clearly demonstrates copper-gold strike extents of 3.3km for J1 and 1km for J2.

14 additional drill holes for 5,550m were completed during the Quarter testing Jericho's J1 and J2 plates (Figure 5). In total, 28 holes for 12,840m have probed Jericho since October 2017, demonstrably establishing the system as a copper-gold discovery. An additional hole for 483m successfully intersected the Defiance anomaly.

Assays for holes EL18D20 - EL18D30 when available in October are, based on visual inspection of core, expected to be broadly similar, reinforcing continuity of mineralisation along both J1 and J2.

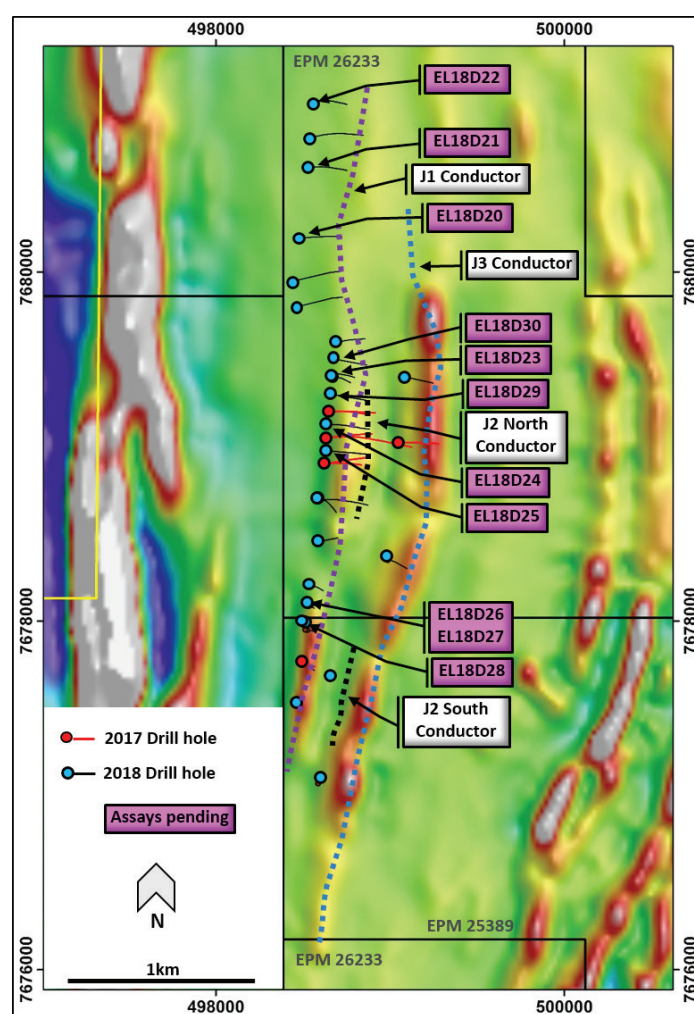


Figure 4: Collar positions highlighting unpublished drill holes into Jericho's J1 and J2 plates

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Drilling at Jericho has paused while the rig inspects similar regional targets until the usual 'wet season' imposes field activity shutdown in November. Notable downhole intersection widths and grades, published to date, are summarised in Figure 5.

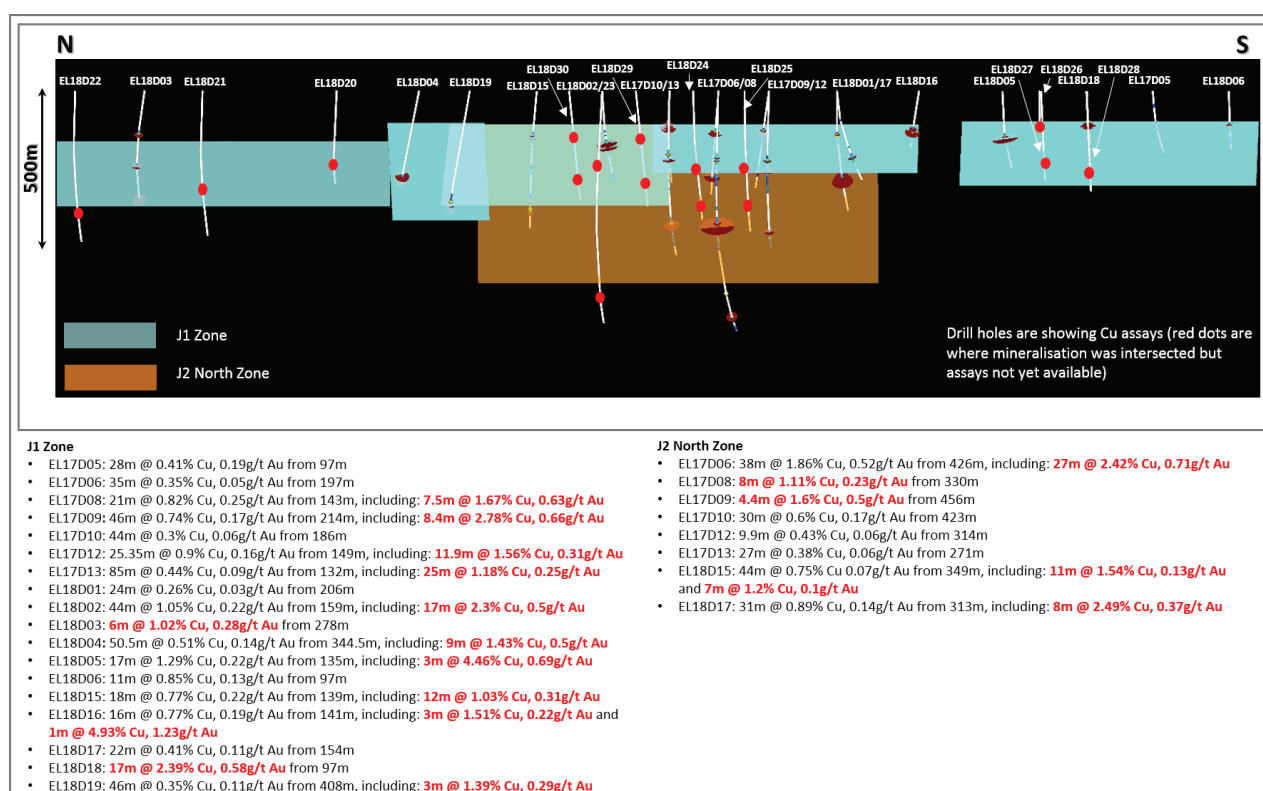


Figure 5: Long Section of Jericho J1 & J2 zones, viewed East, showing drill traces

OZ minerals, late in the Quarter, authorised an expanded drill campaign of \$1.35 million for 4,750m, to assess numerous regional EM drill targets and \$0.65 million to carry out first-pass geophysics over areas within 30km of the Eloise mine (Figure 6). The subject areas were recently acquired by Minotaur and allocated to the joint venture on the basis that prospectivity would encourage OZ Minerals to expand its investment position. That assumption was borne out, resulting in JV expenditure rapidly accelerating to \$10 million by early 2019, at which point OZ Minerals will be entitled to 70% interest in the joint venture, more than 3 years ahead of schedule. Minotaur continues to manage and operate the joint venture.

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Defiance

The rig has returned to the Defiance prospect (Figure 3) where an earlier hole (EL18D08) showed weak but persistent chalcopyrite mineralisation intermittently over more than 200m downhole. The host rock sequence is strongly altered, indicative of widespread hydrothermal activity and warranting further investigation. Two holes for 900m are now testing plate extents north and south of hole EL18D08.

Nearby Targets to be Drill tested

Several targets were identified in mid 2017 as part of the "Route 66" EM survey, however most were not drilled due to early success at Jericho elevating it to be the primary focus.

Drilling will comprise 11 holes for around 3,850m and examine 'Navajo', 'Winona', 'Clementine', 'Bagdad' and 'J4' targets (Figure 3). Drilling will operate around the clock until the campaign concludes in November.

Regional Geophysical Program

New tenements granted to Minotaur were included in the Eloise joint venture, over which a large geophysical campaign was endorsed by the joint venture, comprising air-borne magnetics, ground EM and gravity surveys (Figure 6).

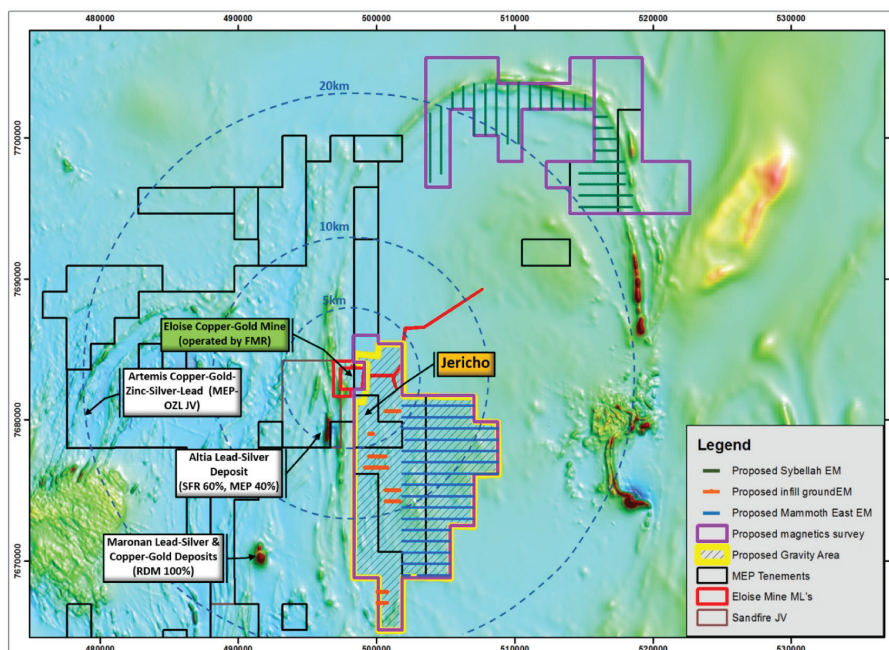


Figure 6: Location of regional drill targets and new geophysical survey zones, over magnetics

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Altia Joint Venture

Sandfire 60%, Minotaur 40% on parts of MDL431 and EPM17838 excised from the Eloise JV with OZ Minerals

Sandfire Resources Limited (ASX: SFR) advised Minotaur that it will not achieve its ultimate project interest of 80% and that a 60/40 joint venture shall be formed to establish responsibilities.

JOGMEC Osborne Joint Venture

Minotaur 100%; Area 818km²

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, expected by the end of 2018. A ground EM survey southwest of the Cannington mine (Figure 7) successfully generated new drill targets; Monarch and Quail, where basement is overlain by 100m of cover sediments. A diamond rig has been mobilised to test these during October, with 2 holes for 800m planned.

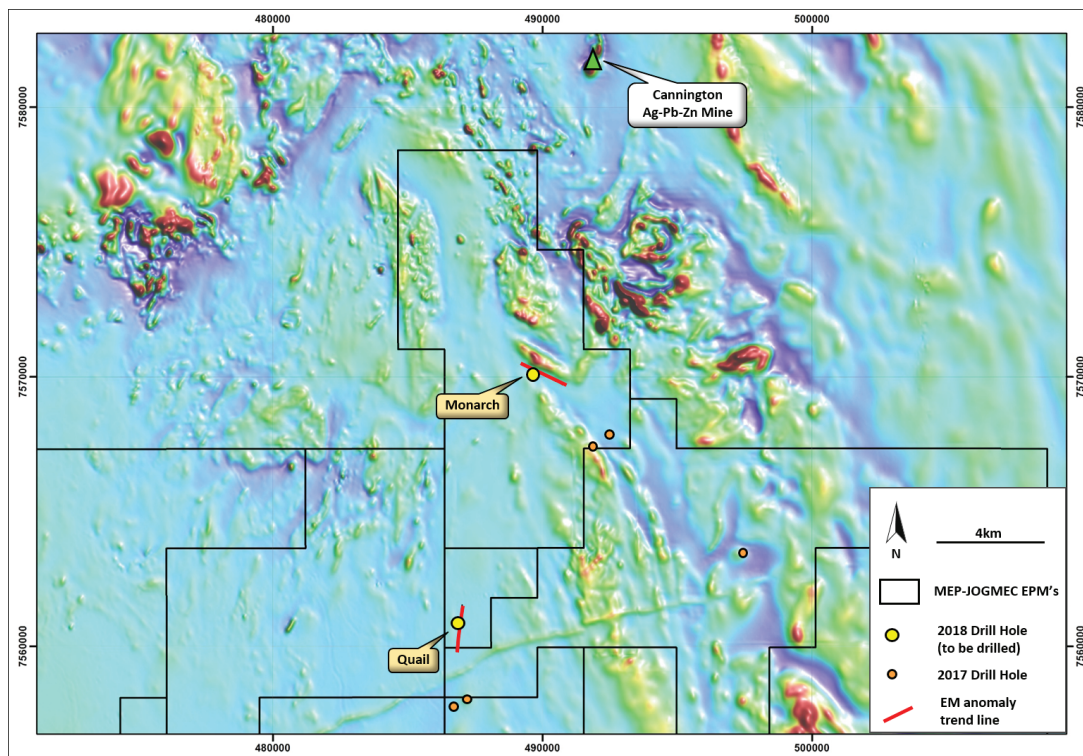


Figure 7: Location of 2 planned drill collars over magnetics

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Highlands Project

Minotaur 100%; Area 667km²

Minotaur and Syndicated Metals Limited (ASX: SMD) finalised Minotaur's acquisition of the Highlands Project 50km northeast of Mount Isa and 80km northwest of Cloncurry in northwest Queensland (Figure 2).

Minotaur was able to speedily complete landowner and Native Title access agreements, permitting inaugural field work in August. Ground EM surveys at the Gospel and Coolibah prospects refined earlier VTEM targets, generating strong conductors. Copper-gold-cobalt assays from rock chip samples at each prospect provide strong geochemical support that the EM conductors are associated with sulphide mineralisation.

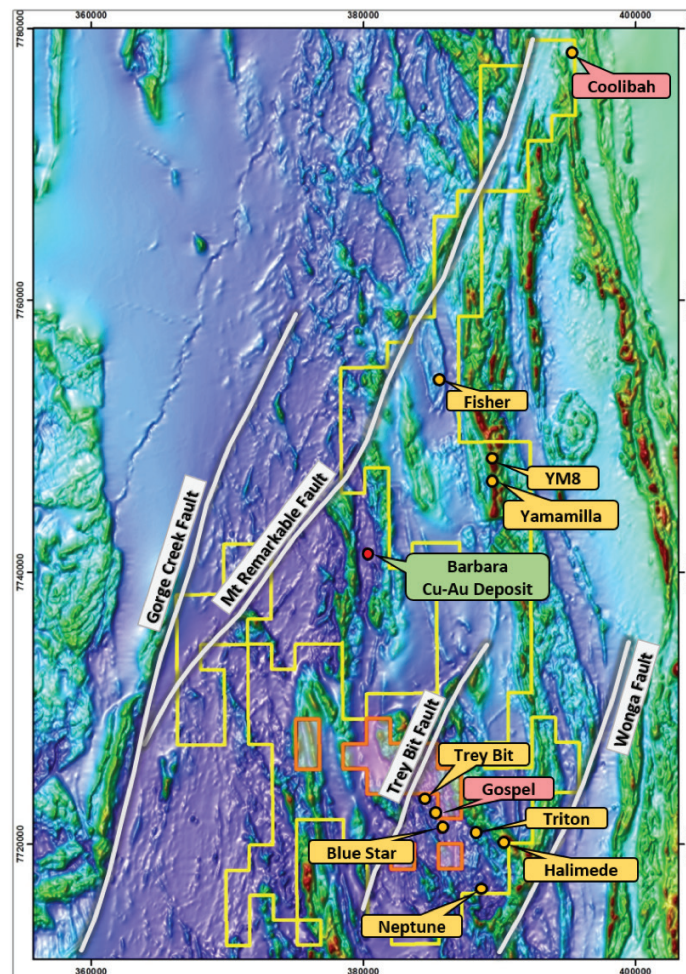


Figure 8: Highlands project showing the location of main prospects over magnetics

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A 5 hole 1,200m drilling program of scout RC holes is planned from mid October, starting at Gospel (Figures 8, 9).

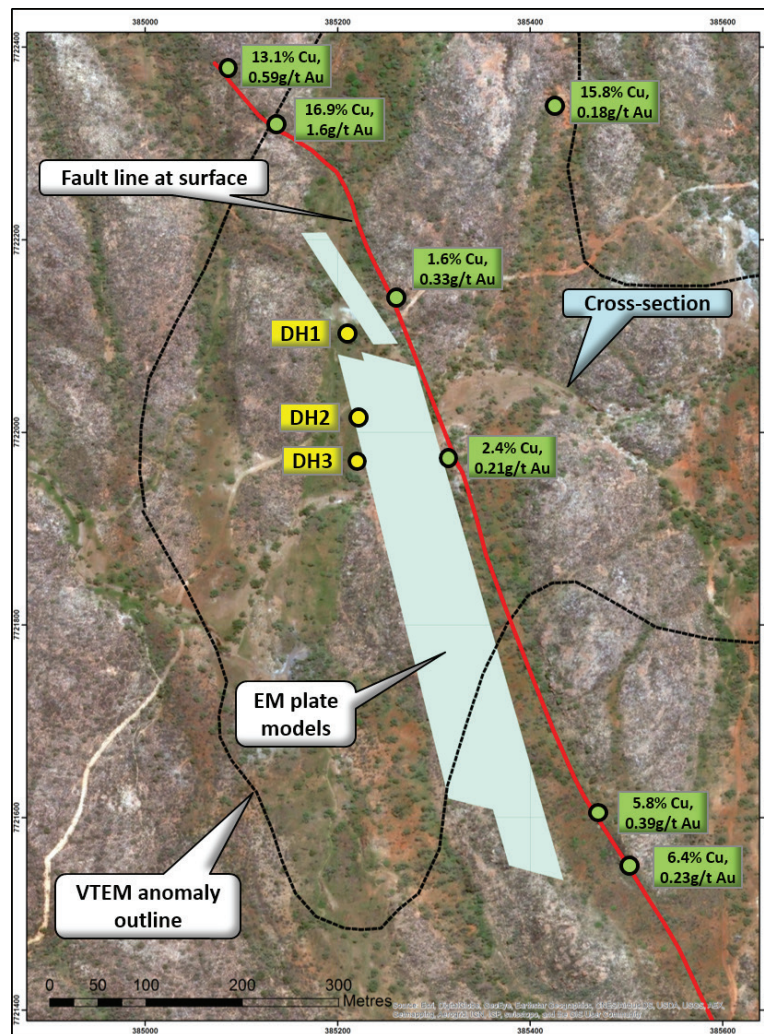


Figure 9: Gospel prospect showing VTEM anomaly outline, ground EM plate models, rock chip samples with Cu-Au assays (green dots) and planned drill hole locations (yellow dots)

Regional Cloncurry Project

Minotaur 100%, in which EPM 8608 carries a net smelter royalty of 2% payable to South 32; Area 412km²

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



South Australia

Border Base Metals JV

Sumitomo 52.7%, Minotaur 47.3%; Area 243km²

No activity during the reporting period.

Poochera Kaolin

Minotaur 100%; Area 1,575km². Andromeda Metals in joint venture to earn up to 75%

Andromeda Metals (ASX: ADN, 'Andromeda'), with assistance from Minotaur, is preparing a permitting application for bulk sample extraction of raw kaolin for ceramic end-user testing. Simultaneously, Minotaur is assisting Andromeda with ongoing High Purity Alumina (HPA) testwork, resource update and halloysite analysis of historic drill samples. Andromeda released a JORC 2012 resource update on 22 August 2018, and HPA testwork results on 29 August 2018.

Minotaur continues research and development investigations, through an Innovations Connections Grant with the University of Newcastle, into innovative industrial applications for halloysite nanoparticles, a rare nanotubular form of kaolin present in Minotaur's kaolin resource.

Peake and Denison Ranges

Minotaur 100%; Area 2,547km²

The project area is located near Lake Eyre in South Australia, approximately 800km north of Adelaide. With 3 out of 4 tenements now granted, Minotaur has been actively pursuing background investigations in support of new mineral system models and exploration targeting approaches for Iron Oxide Copper Gold (IOCG) style mineralisation. New dating technologies and innovative magnetic processing routines are being employed as part of the targeting exercise for this large, and sparsely explored under cover terrane.

North Flinders Project

Minotaur 10%, Perilya 90%; Area 601km²

Perilya (Operator) continued low level reconnaissance mapping, soil and rock chip sampling.

Western Australia

Saints Nickel Project

Minotaur 100%; Area 20km²

Saints is a modest, but expandable, nickel sulphide resource located 65km north of Kalgoorlie. Several parties interested in potentially acquiring the two mining licences have been invited to make an offer to acquire the tenements outright.

Leinster Nickel Prospects

Minotaur 100%; Area 176km²

Minotaur reached agreement with PVW Minerals to vend tenement E37/909 (68km²) into an initial public offer (IPO) for cash and IPO shares consideration of \$250,000. PVW intends to provide Minotaur shareholders with priority allocation rights to shares in the IPO via the application form in PVW's Prospectus, when issued. Interested shareholders can register their interest through [*PVW Placeholder Link*](#).

Remaining nickel endowed tenements E36/899 and E36/936 (108km²) remain available for sale.

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.

This report contains information extracted from previous ASX releases which are referenced in the report and which are available on the company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



QUARTERLY REPORT 30 SEPTEMBER 2018

Note: September 2018 Quarter ASX Announcements

The following significant announcements were lodged with ASX during the September Quarter:

- Termination of Sale of Leinster tenements, WA, 16 July 2018
- Drilling campaign expanded along Jericho copper system at Eloise JV, 19 July 2018
- Field work initiated at Highlands Cu project, Mt Isa, 23 July 2018
- Drilling probes Jericho copper depth extensions for Eloise JV, Cloncurry, 6 August 2018
- Drilling update for Jericho copper prospect at Eloise JV, Cloncurry, 28 August 2018
- OZ Minerals raises Eloise JV investment and expands activity scope, 4 September 2018
- First EM generates positive drill targets at Highlands Cu project, Mt Isa, Queensland, 6 September 2018

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