

ASX Release



Drilling resumes at Eloise JV, Cloncurry

Highlights

Minotaur Exploration Ltd (ASX: MEP) resumes drilling at 'Electra' and 'Iris' copper-gold targets for the Eloise JV in northwest Queensland. Drilling is initially focussed on the very large Electra EM conductor, along strike from promising copper-gold mineralisation intersected at Iris in late 2016.

Background

The Eloise project, centred 55km south-east of Cloncurry, a joint venture between Minotaur and OZ Minerals Ltd, now enters its second year of operation. OZ Minerals may earn up to 70% equity in the project by spending up to \$10M and, having expended \$2M in 2016, has elected to continue working with Minotaur in 2017, commencing with drilling of the Electra and Iris conductors.

The joint venture is seeking Eloise-style copper-gold and Cannington-style silver-lead-zinc mineralisation, with both styles evident in the highly fertile mineral camp around the Eloise and Altia deposits (Figure 1). Drilling in late 2016 discovered encouraging Eloise-style copper-gold mineralisation at Iris^{1,2} when testing 2 strong EM conductors under cover. Field activities were suspended in November due to onset of the northern Australian wet season, delaying follow up drilling of Iris and initial drilling of the Electra EM anomaly, until now.

¹ MEP report to ASX - First assays for Iris copper prospect, Cloncurry, 19 October 2016

² MEP report to ASX - Iris-Electra results confirm copper-gold potential, 24 November 2016

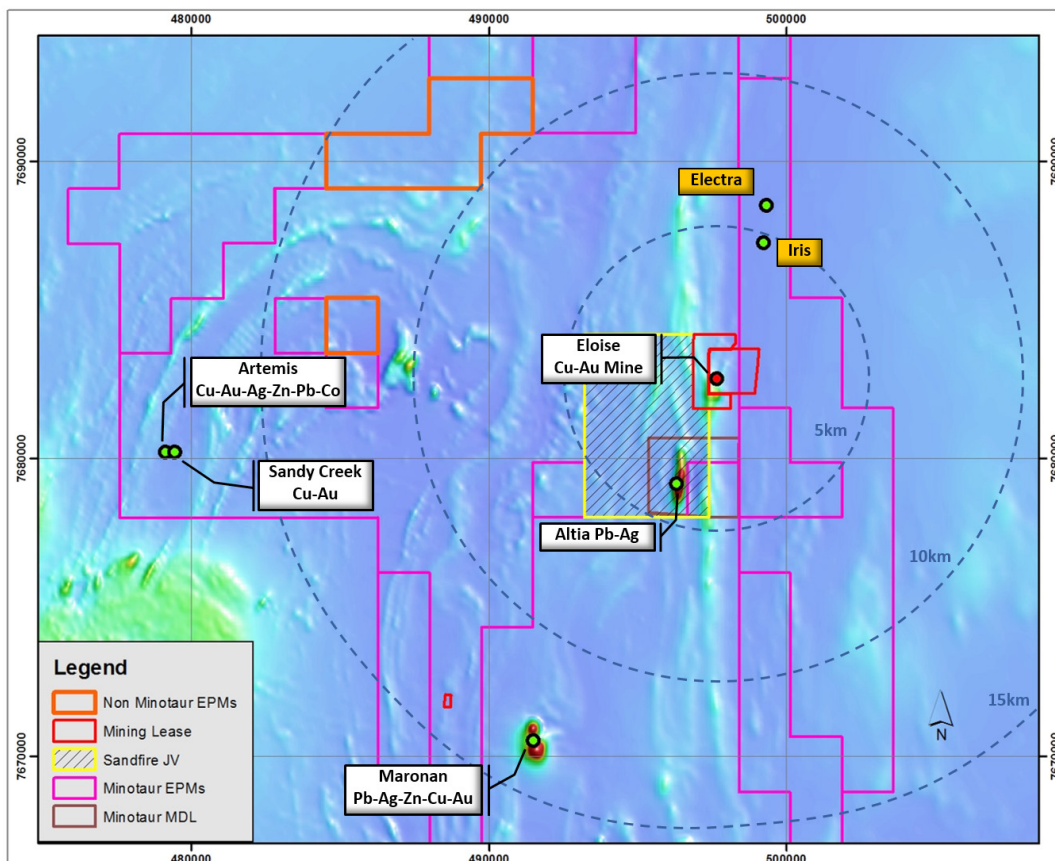


Figure 1: Minotaur's 'Eloise JV' tenements and the Iris and Electra EM targets over magnetics, referenced to the Eloise copper-gold mine (owned and operated by FMR Investments Pty Ltd) and the Cannington-style Altia (owned by the Minotaur-Sandfire JV) and Maronan (owned by Red Metal Ltd) base metals deposits.

Iris Target

Six drill holes tested the Iris EM conductors with all holes returning modest-grade copper-gold mineralisation over downhole widths of between 20-40m, including zones of breccia where mineralisation is locally much more strongly developed (Figure 2). Mineralisation has been defined along 600m of strike and remains open north, south and down dip.



Electra Target

Positioned along strike 1.3km north of Iris the very large and highly conductive Electra anomaly (Figure 3) was identified late in 2016. Initial modelling of the EM response of the Electra conductor produced a plate 1.4km long with a conductance of 1100 Siemens (S)². Refinement of the EM model generated a plate 1.6km long with upgraded conductance of 3000S. Given the close association between copper-gold mineralisation and conductance of the Iris models, Minotaur is very encouraged by the dominant Electra target.

Figure 2: Drill core from hole EL16D05; 195.12-199.63m containing breccia and vein hosted chalcopyrite (yellow) and pyrrhotite (bronze) mineralisation.

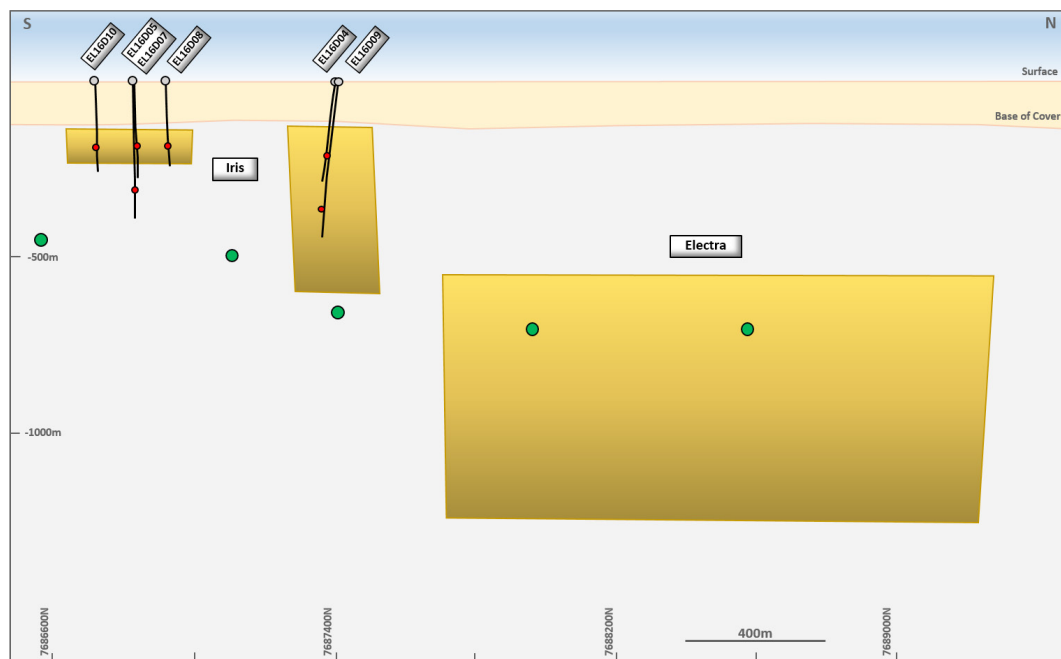


Figure 3: Long projection, looking west, of the EM plate models for Iris and Electra; completed drill holes in red, proposed drill holes in green.

Drill Program

Up to 3700m of drilling is planned to test in and around the Electra and Iris EM targets. Drilling is underway, testing the upper central zone of the modelled conductor at Electra, with the first hole to be drilled to 850m. The second hole will test the upper southern portion of the conductor to a similar depth. Three other holes, as depicted in Figure 3, are designed to test below Iris. Drilling is expected to take 8 weeks.



Comment

Minotaur's Managing Director, Andrew Woskett, said "Minotaur has been eagerly awaiting resumption of drilling at Iris and Electra given the promising results reported late 2016. Electra, in particular, provides a compelling drill target with substantial scale and drilling resumes upon the premise that the Iris EM anomalies may be vectors to a significant copper-gold system at Electra".

COMPETENT PERSON'S STATEMENT

Information in this report that relates to Exploration Results is based on information compiled by Mr Glen Little, who is a full-time employee of the Company and a Member of the Australian Institute of Geoscientists (AIG). Mr Little has sufficient experience relevant to the style of mineralization 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.

Andrew Woskett

Managing Director

Minotaur Exploration Ltd

T +61 8 8132 3400

www.minotaurexploration.com.au