Drilling underway at Osborne JV, Cloncurry

Minotaur Exploration Ltd (ASX: MEP, "Minotaur") has initiated diamond drilling for the Osborne JV (with Japan Oil, Gas and Metals National Corporation ["JOGMEC"]) in north-west Queensland.

Highlights

- Drill program underscores strong, ongoing relationship with global explorer JOGMEC
- Osborne JV is focused on greenfields discovery potential
- A$1.5M allocated to exploration activities this year; JOGMEC-funded
- Drilling will test several EM anomalies, targeting zinc-lead-silver and copper-gold mineralisation
- The region has been sparsely drilled to basement

Background

The Osborne project, centred 175km south of Cloncurry, is a joint venture between Minotaur and JOGMEC. JOGMEC may earn up to 51% equity in the project by spending up to A$3.5M. Expenditure to date is A$1.6M with a further A$1.5M allocated to exploration activities this year.

The joint venture is seeking Cannington-style silver-lead-zinc and Eloise-style copper-gold mineralisation. The 2016 field season identified multiple geophysical anomalies where conductive basement targets were detected below sediment cover at the 'Lark', 'Winter' and 'Robin' prospects (Figure 1).

Drilling is underway. One scout hole will test each target, with 2,700m in 5-6 holes planned over the next 8 weeks

Lark Target

Two EM conductors are identified at Lark: a western conductor lying parallel and adjacent to a linear magnetic anomaly; and an eastern conductor occurring along strike of a discrete moderate-amplitude magnetic anomaly. An initial 450m hole will test the eastern conductor.

Winter Target

Winter is a discrete low to moderate-amplitude magnetic anomaly, within a magnetic low, that appears similar in its geological setting to the Cannington silver-lead-zinc deposit. Ground EM defined conductors, coincident with the magnetic anomaly. One 700m hole is now testing the magnetic body and some of the modelled EM plates.

Robin Target

Two EM conductors are identified at Robin: a western conductor lying adjacent to a discrete moderate-amplitude magnetic anomaly; and an eastern conductor coincident with the magnetic anomaly. An initial 400m hole will test the eastern plate.

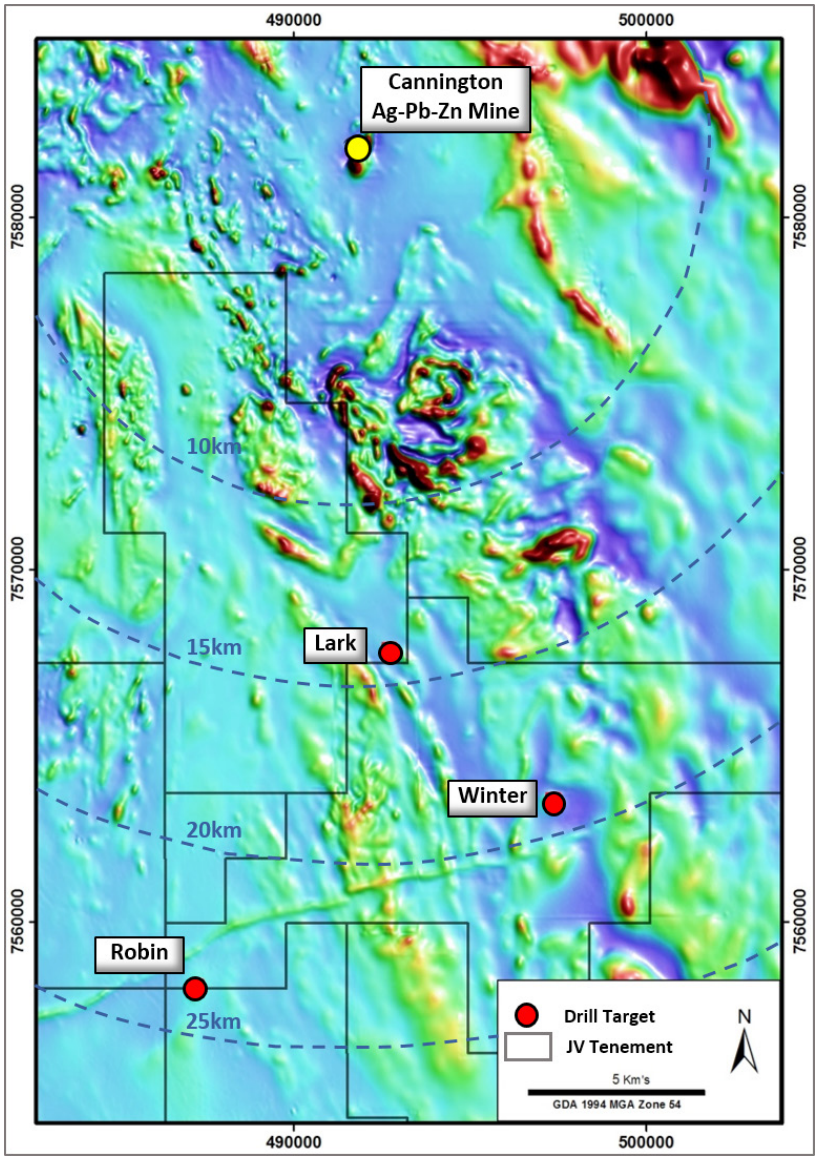

Figure 1: Minotaur's 'Osborne JV' tenements and the Winter, Lark and Robin EM targets over magnetics, referenced to the Cannington silver-lead-zinc mine (owned and operated by South32 Ltd).

Comment

Minotaur's Managing Director, Andrew Woskett, said "Minotaur has been keen to start drilling at these targets given their proximity to the world-class Cannington silver-lead-zinc mine and given they lie within a highly prospective but largely unexplored geological address".

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.

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