

# Quarterly Report

Period ended 30 September 2017

MINOTAUR EXPLORATION LIMITED ACN 108 483 601 ASX: MEP  
[www.minotaurexploration.com.au](http://www.minotaurexploration.com.au)

MINOTAUR  
EXPLORATION

## Corporate

A placement late in September to sophisticated investors and key shareholders was over subscribed, easily satisfying the A\$1 million target. A Share Purchase Plan (SPP) was then offered to shareholders, on the same terms and with a target of \$1 million.

The SPP closed on 20 October with significant oversubscriptions taking total applications to well over A\$2 million, necessitating substantial scale back to attain the target. Minotaur held A\$1.7 million in cash at 30 September 2017 (not including Placement or SPP receipts).

Shareholders' unequivocal demonstration of support is gratifying, such that Minotaur is comfortably funded to maintain its exploration tempo and project generation work into 2018, including at its 50/50 exploration Alliance with OZ Minerals (ASX: OZL) near the Prominent Hill mine and for a reactivation of nickel exploration at the Saints nickel resource near Kalgoorlie and also near Leinster, in Western Australia.

Continuing involvement by our earn-in partners in Minotaur's key joint venture projects, the Eloise JV (with OZ Minerals) and the Osborne JV (with JOGMEC), demonstrates their faith in our prospecting techniques.

In both instances, in north-west Queensland, our research is directed to locating 'blind' deposits that underlie thick sequences of 'cover' material.

We rely on geophysical techniques to 'see' through the cover, into basement formations – often as deep as 700m, to pick targets worthy of diamond drilling.

Drill intersections ultimately prove or disprove whether the geophysical response represents base metal mineralisation.

The Company is in the midst of a period of intense operational activity, viz: drilling near the Eloise copper-gold mine; EM surveys near the Osborne copper mine; soon to be drilling close to the Prominent Hill mine and; in the new year, follow up EM surveys at the Saints nickel resource and at the 'Valdez' nickel target near Leinster.

A diversity of projects, project partners, geological domains and regulatory jurisdictions provide Minotaur with a risk-balanced approach to the business of on-the-ground exploration.

We note a report<sup>1</sup> by Thomson Resources Ltd (ASX: TMZ) that staged joint venture funding into its Bygoo tin project in NSW continues, with total of A\$790,000 received to date, allowing the company to prepare for its next drill campaign.

We rate this progress as very positive for TMZ and its shareholders, including Minotaur with 12.1% equity in Thomson.

<sup>1</sup> TMZ report to ASX, *Bygoo Tin Update*, 16 October 2017



MINOTAUR  
EXPLORATION

QUARTERLY REPORT 30 SEPTEMBER 2017



## Exploration, R&D

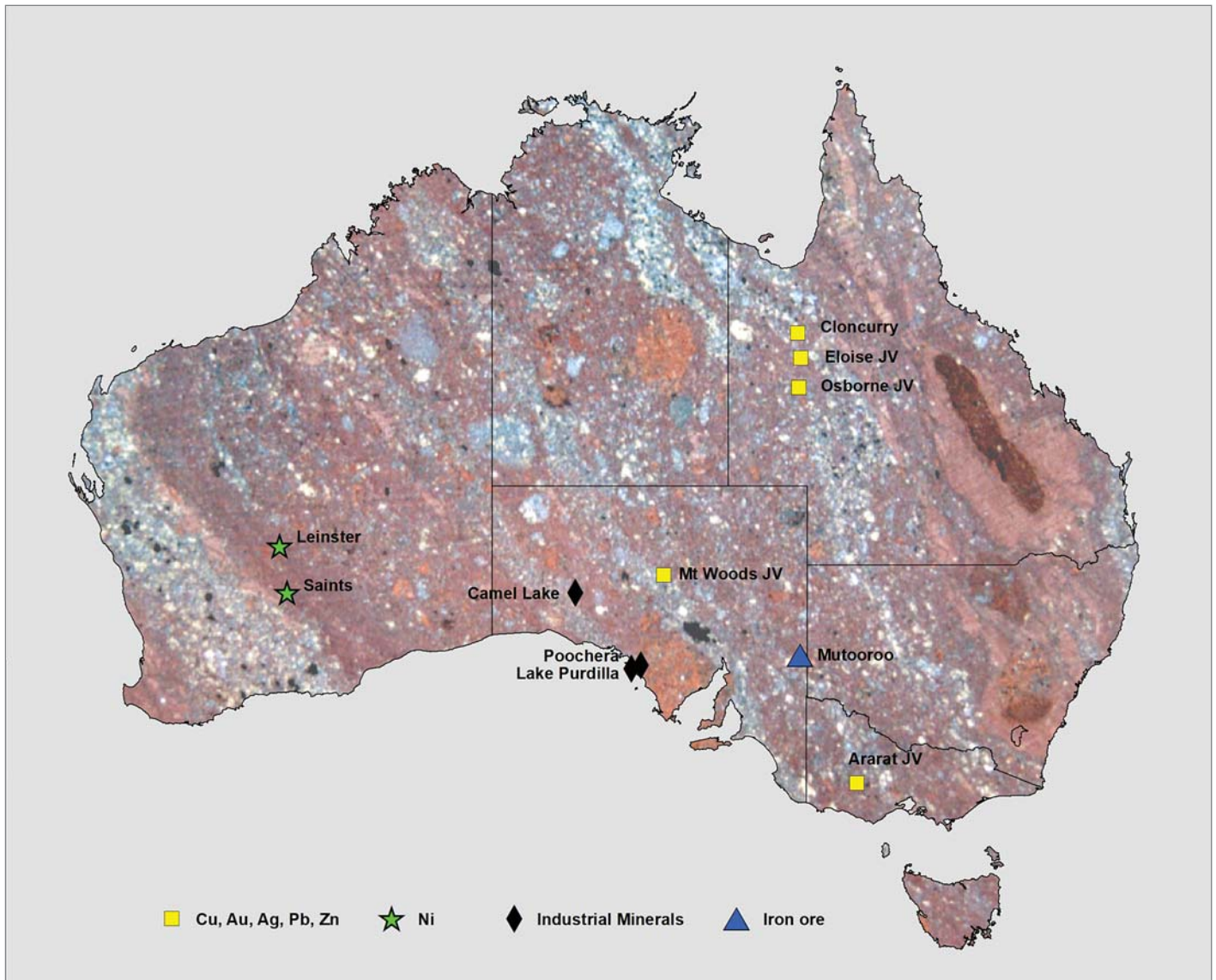


Figure 1: Minotaur Exploration's project locations.



## QUEENSLAND

Minotaur's exploration focus in Northwest Queensland, along the Cloncurry mineral belt, is iron oxide copper-gold (IOCG), iron sulphide copper-gold (ISCG) and Cannington-style lead-silver-zinc mineral systems (*Figure 2*), under conductive Mesozoic sediment cover.

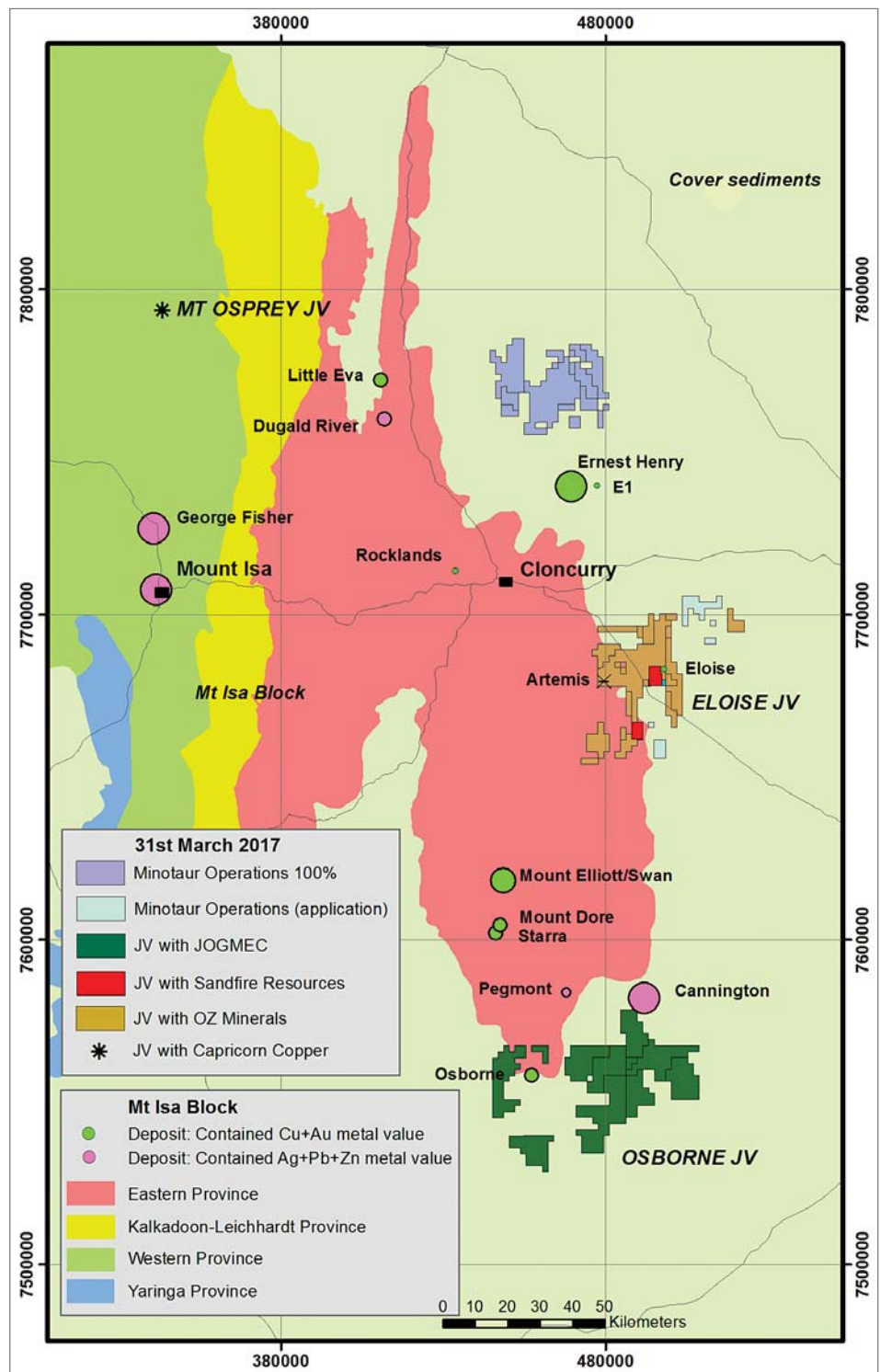


Figure 2: Location of Minotaur tenements in the Cloncurry region of Northwest Queensland.

## QUEENSLAND

### Eloise Farm-In (OZ Minerals)

*Minotaur 100% (except on those parts of MDL431 and EPM17838 where Sandfire Resources NL can earn 80%), Area 644km<sup>2</sup>*

OZ Minerals contributed further A\$0.8 million to joint venture activity from July through to September, bringing its cumulative expenditure to A\$4.2 million. Minotaur's application for EPM 26233 (Route 66) was granted. This strategic parcel of ground lies south of and along strike from the Eloise mine and is interpreted to be the corridor housing the Levuka Shear, the regional structure hosting the Eloise deposit. Thus it represents primary exploration opportunity.

Upon grant, Minotaur immediately commissioned an extensive ground-based EM<sup>2</sup> survey, quickly identifying a number of conductive responses, all within 5-15km of the mine operations (*Figure 3*).

Three targets were chosen for initial drill investigation and, as this report goes to publication, two holes planned at 'Jericho' were complete (refer *ASX release dated 23 October 2017* for progress report; drill assays pending). A second drill rig has been engaged to place one reconnaissance hole into each of the 'Arlington' and 'St Louis' anomalies while drilling continues at Jericho, for which OZ Minerals committed additional A\$0.8 million expenditure in the December Quarter.

<sup>2</sup> Electromagnetic: an electrical - geophysical tool used to locate electrically conductive responses within basement formations

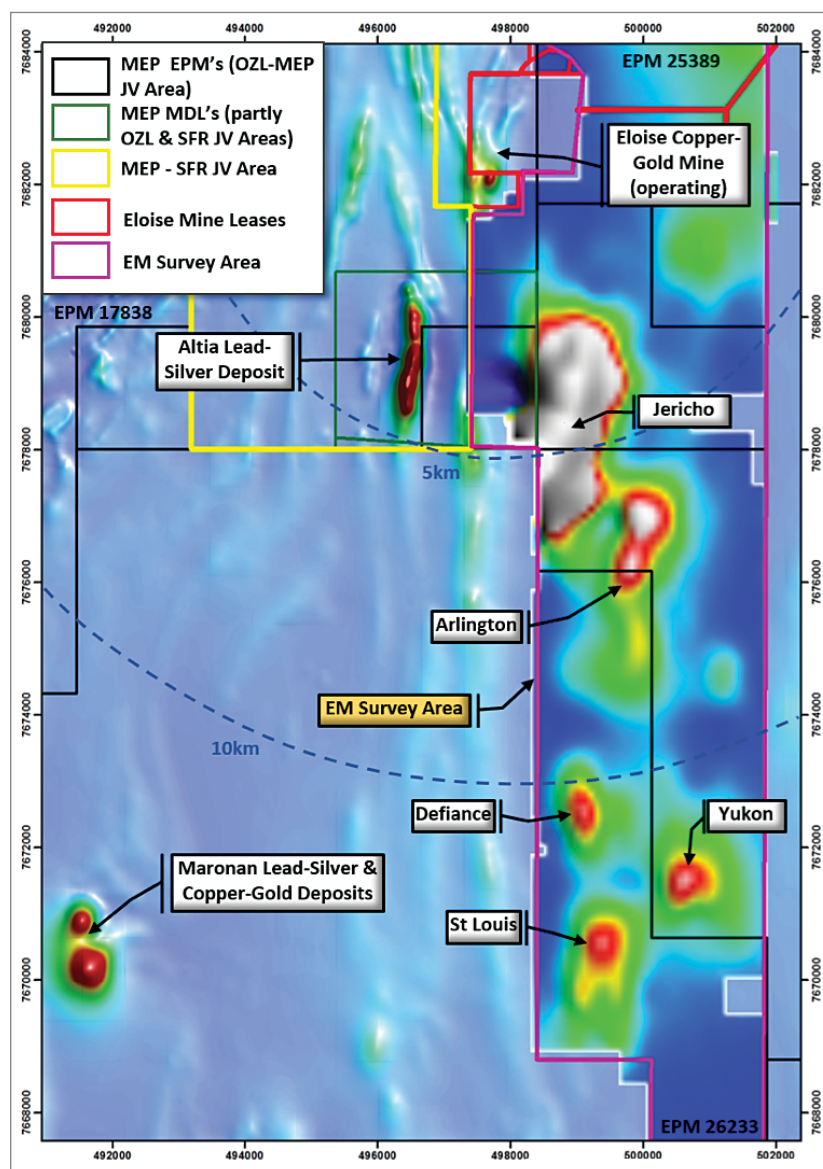


Figure 3: Priority EM drill targets to south of Eloise mine; EM image is channel 30 X-component, over RTP1VD magnetics. Locations of the Sandfire JV 'Altia' Pb-Ag deposit, the Maronan Pb-Ag and Cu-Au deposits and the Eloise Mine are shown for reference.





## 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 1,254km<sup>2</sup>

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\$2.5M with further A\$0.5M budgeted through to March 2018.

JOGMEC committed to a new round of ground geophysics, with that work commencing in October (refer ASX report dated 18 October 2017). Three areas (refer Figure 4) were selected for EM surveys: 'Kite'; 'Curlew' and 'Cockatoo'; field work is expected to complete around the end of November.

### Regional Cloncurry Project

Minotaur 100%, except in relation to EPM 8608 which has a net smelter royalty of 2% payable to South 32; Area 676km<sup>2</sup>

No activity during the reporting period.

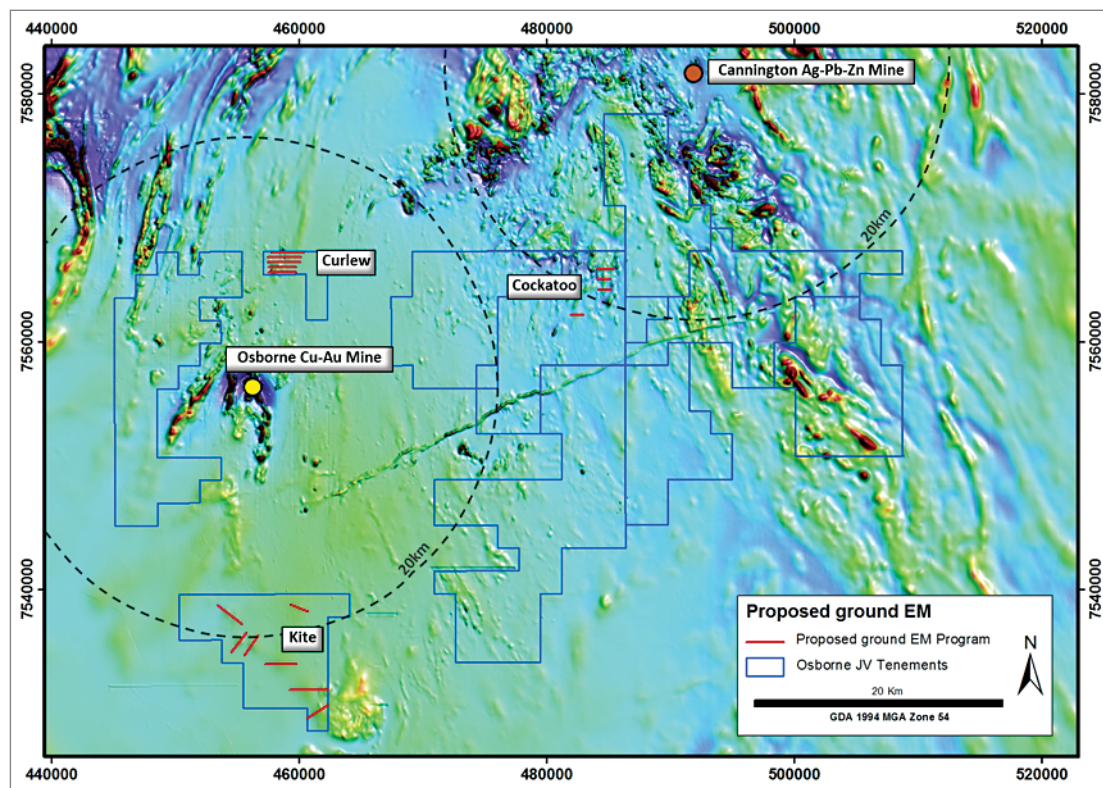


Figure 4: Regional airborne magnetic image (TMI RTP) with prospect EM survey lines in red.





## SOUTH AUSTRALIA

### Prominent Hill Project

*OZ Minerals 100% (Minotaur testing selected targets in collaboration with OZ Minerals), Area 3,532km<sup>2</sup>*

Minotaur and OZ Minerals are collaborating in exploration around the Prominent Hill mine, through the Mt Woods exploration alliance.

A ground EM survey along 17km of the Skylark Shear Zone (SSZ) was completed (*Figure 5*). Four EM conductors were selected for drilling: 'Maverick', 'Nexus' and 'Bellatrix East' (refer ASX report dated 25 September 2017 for details). A rig is being secured for start of drilling around the end of October.

### Gawler Ranges Project

*Minotaur 100%, Area 311km<sup>2</sup>*

No activity during the reporting period.

### Border Base Metal JV

*Sumitomo 52.8%, Minotaur 47.2%, Area 443km<sup>2</sup>*

No activity during the reporting period.

### Industrial Minerals Project

*Minotaur 100%, Area 5,068km<sup>2</sup>*

Research into halloysite nanotube characterisation continued through the University of South Australia's Future Industries Institute including specialised fields of carbon nanotube synthesis, catalysis, supercapacitance and battery applications.

### North Flinders Project

*Minotaur 10%, Perilya 90%, Area 670km<sup>2</sup>*

Perilya, as Operator, conducted soil sampling programs at Warraweena and Mt Rugged on EL5542. Two small areas of anomalous base metals were returned. Additional soil and rock chip sampling is planned at Mt Rugged.

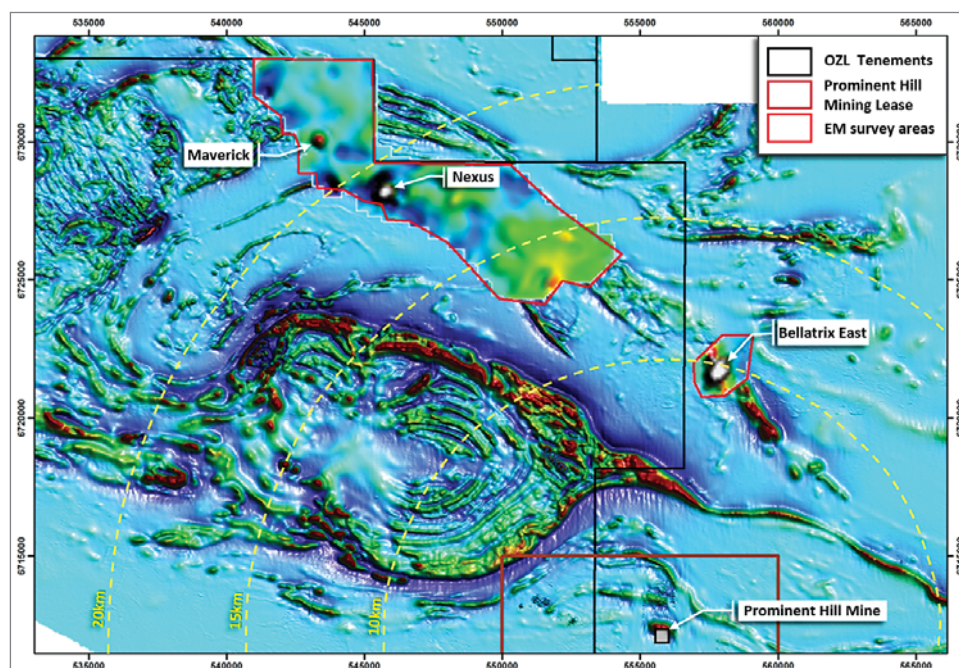


Figure 5: Location of EM anomalies along the Skylark Shear Zone relative to Prominent Hill mine. Background image is RTP magnetics; EM image within the red outline is gridded Z component, channel 30 data.



## VICTORIA

### Ararat Joint Venture

*Minotaur 100%, Stavelly Minerals earning 51%, Area 295km<sup>2</sup>*

Stavelly Minerals advised its withdrawal from the Ararat joint venture. Minotaur is surrendering the tenements.

## WESTERN AUSTRALIA

### Saints Nickel Project, Leinster Nickel-Gold Prospects

*Minotaur 100%: Saints Area 97km<sup>2</sup>; Leinster Area 176km<sup>2</sup>*

Minotaur observes the firming price of and sentiment towards nickel and proposes to reactivate exploration around the Saints deposit and on its package of nickel-gold prospective tenements south of Leinster.

The Saints JORC resource (published May 2017) could potentially be expanded along strike.

A previous ground EM program to locate step-out drill positions had to be abandoned, incomplete, due to localised flooding at the time. That exercise can be easily resumed and is scheduled for early 2018.

### 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: September 2017 Quarter ASX Announcements

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

- Eloise JV drill results, 10 July 2017
- Drilling completed at Osborne JV, 26 July 2017
- Ground EM survey underway near Prominent Hill mine, 2 August 2017
- EM survey reveals drill targets for Eloise JV, 24 August 2017
- Investor update presentation, 24 August 2017
- Compelling drill targets revealed near Prominent Hill, 25 September 2017
- Minotaur completes Placement, announces SPP, 29 September 2017
- Placement & SPP Presentation, 29 September 2017
- Drilling underway at Eloise JV, 9 October 2017
- Drill program near Prominent Hill mine, 16 October 2017
- Ground EM survey commencing near Osborne mine, 18 October 2017
- Strong copper mineralisation intersected at 'Jericho', 23 October 2017
- Notification of oversubscribed SPP, 25 October 2017

### Andrew Woskett

*Managing Director*

Minotaur Exploration Ltd

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## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Minotaur Exploration Ltd

### ABN

35 108 483 601

### Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,956)	(1,956)
(b) development		
(c) production		
(d) staff costs	(182)	(182)
(e) administration and corporate costs	(118)	(118)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (Joint Venture Receipts)	1,693	1,693
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(561)</b>	<b>(561)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	4	4
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	(58)	(58)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(57)</b>	<b>(57)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	317	317
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>317</b>	<b>317</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,331	2,331
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(561)	(561)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(57)	(57)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	317	317
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,030</b>	<b>2,030</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1    Bank balances	1,852	2,153
5.2    Call deposits	178	178
5.3    Bank overdrafts		
5.4    Other (provide details)		
<b>5.5    Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,030</b>	<b>2,331</b>

**6.    Payments to directors of the entity and their associates**

- 6.1    Aggregate amount of payments to these parties included in item 1.2
- 6.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3    Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

198

- Directors' fees, salary payments and superannuation.
- Payments made to a related entity of Dr Antonio Belperio, a Director of the Company, under a commercial lease agreement for the use of warehouse space.

**7.    Payments to related entities of the entity and their associates**

- 7.1    Aggregate amount of payments to these parties included in item 1.2
- 7.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3    Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**



8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	392	392
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


Secured interest only loan facility with the National Australia Bank at an interest rate of 5.11%.

9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation (net after JV receipts)	830
9.2 Development	
9.3 Production	
9.4 Staff costs	180
9.5 Administration and corporate costs	140
9.6 Other	
<b>9.7 Total estimated cash outflows</b>	<b>1,150</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EPM25197 EPM19066 EPM19061	Tenement surrendered Tenement surrendered Tenement surrendered	100% 100% 100%	0% 0% 0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EPM26233	Tenement granted	0%	100%

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:   
.....  
(Company secretary)

Date: 26 October 2017

Print name: Varis Lidums

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.



# INTERESTS IN MINING TENEMENTS AS AT 30 SEPTEMBER 2017



Tenement ID	Tenement Reference	Holder	% Interest beginning of quarter	% Interest end of quarter	Location	Status
<b>Border Joint Venture</b>						
EL5963	Mutooroo	Minotaur Operations	47	47	SA	Ongoing
<b>Cloncurry (Regional)</b>						
EPM8608	Bendigo Park	Minotaur Operations	100	100	QLD	Ongoing
EPM16975	Cattle Creek	Minotaur Operations	100	100	QLD	Ongoing
EPM19530	Corella	Minotaur Operations	100	100	QLD	Ongoing
EPM18861	Donaldson Well	Minotaur Operations	100	100	QLD	Ongoing
MDL432	Eloise	Levuka Resources	40	40	QLD	Ongoing
EPM18068	Gidyea Bore	Minotaur Operations	100	100	QLD	Ongoing
EPMA26509	Gold Reef	Minotaur Operations	0	0	QLD	Application
EPM19412	Middle Creek	Minotaur Operations	100	100	QLD	Ongoing
EPM25889	Sedan	Minotaur Operations	100	100	QLD	Ongoing
EPMA26521	Sybellah	Minotaur Operations	0	0	QLD	Application
<b>Eloise Joint Venture (OZ Minerals)</b>						
MDL431\$	Eloise	Levuka Resources	100	100	QLD	Ongoing
EPM19500	Eloise North	Minotaur Operations	100	100	QLD	Ongoing
EPM18442	Eloise Northwest	Levuka Resources	100	100	QLD	Ongoing
EPM25389	Fullarton	Minotaur Operations	100	100	QLD	Ongoing
EPM17838\$	Levuka	Levuka Resources	100	100	QLD	Ongoing
EPM25237	Levuka	Minotaur Operations	100	100	QLD	Ongoing
EPM25801	Masai	Levuka Resources	100	100	QLD	Ongoing
EPM18624	Oorindi Park	Minotaur Operations	100	100	QLD	Ongoing
EPM26233	Route 66	Minotaur Operations	0	100	QLD	Granted
EPM25238	Saxby	Minotaur Operations	100	100	QLD	Ongoing
<b>Osborne Joint Venture (JOGMEC)</b>						
EPM18575	Carbo Creek	Minotaur Operations	100	100	QLD	Ongoing
EPM18720	Cuckadoo	Minotaur Operations	100	100	QLD	Ongoing
EPM25197	Hamilton	Minotaur Operations	100	0	QLD	Surrendered
EPM25886	Hennes Bore	Minotaur Operations	100	100	QLD	Ongoing
EPM25960	Jubilee	Minotaur Operations	100	100	QLD	Ongoing
EPM19066	Lucia	Minotaur Operations	100	0	QLD	Surrendered
EPM26230	Nithsdale	Minotaur Operations	100	100	QLD	Ongoing
EPM18571	Sandy Creek	Minotaur Operations	100	100	QLD	Ongoing
EPM25888	Tripod Tank	Minotaur Operations	100	100	QLD	Ongoing
EPM25699	Warburton Creek	Minotaur Operations	100	100	QLD	Ongoing
EPM25856	Wilgunya	Minotaur Operations	100	100	QLD	Ongoing
EPM19061	Windsor	Minotaur Operations	100	0	QLD	Surrendered
<b>Victoria Copper project (Stavely Minerals)</b>						
EL5403	Lexington	Minotaur Operations	100	100	VIC	Ongoing
EL5450	Roxborough	Minotaur Operations	100	100	VIC	Ongoing
<b>Industrial Minerals project</b>						
EL5906	Acraman	Minotaur Operations	100	100	SA	Ongoing
ELA5502	Casterton South	Minotaur Industrial Minerals	0	0	VIC	Ongoing
EL5869	Cooper Pedy	BMV Properties	100	100	SA	Ongoing
EL5911	Giddina Creek	BMV Properties	100	100	SA	Ongoing
EL5395	Kyancutta	Minotaur Operations	100	100	SA	Ongoing

Tenement ID	Tenement Reference	Holder	% Interest beginning of quarter	% Interest end of quarter	Location	Status
EL5308	Mount Hall	Minotaur Operations	100	100	SA	Ongoing
EL5905	Narlaby	Minotaur Operations	100	100	SA	Ongoing
EL5885	Oolgelima	BMV Properties	100	100	SA	Ongoing
EL5398	Sceales	Minotaur Operations	100	100	SA	Ongoing
EL5814	Tootla	Great Southern Kaolin	100	100	SA	Ongoing
EL5710	Waurea	Minotaur Operations	100	100	SA	Ongoing
ELA116/2017 (EL5016)	Whichelby	Minotaur Operations	100	100	SA	Ongoing
EL5787	Yanerbie	Minotaur Operations	100	100	SA	Ongoing
ELA175/2017 (EL5095)	Camel Lake	Minotaur Operations	100	100	SA	Application

**Gawler Ranges project**

EL5887	Mt Double	Minotaur Operations	100	100	SA	Ongoing
ELA165/2017	Lake Everard East	Minotaur Operations	0	0	SA	Application
ELA166/2017	Lake Everard West	Minotaur Operations	0	0	SA	Application

**Scotia project**

E 29/00661	Goongarrie 3	Minotaur Gold Solutions	100	100	WA	Ongoing
M 24/00336	Goongarrie 6	Minotaur Gold Solutions	100	100	WA	Ongoing
M 29/00245	Goongarrie 13	Minotaur Gold Solutions	100	100	WA	Ongoing
M 29/00246	Goongarrie 14	Minotaur Gold Solutions	100	100	WA	Ongoing
P 29/02121	Goongarrie 12	Minotaur Gold Solutions	100	100	WA	Ongoing

**Leinster project**

E 36/899	Fly Bore	Altia Resources	0	0	WA	Application
E 37/909	Leinster 2	Scotia Nickel	100	100	WA	Ongoing
M 36/475	Leinster 10	Altia Resources	100	100	WA	Ongoing

**Other projects**

EL5542	Blinman	Perilya	10	10	SA	Ongoing
EL5117	Ediacara	Perilya	10	10	SA	Ongoing
ML4386	Third Plain	Perilya	10	10	SA	Ongoing
EL5723	Wilkawillina	Perilya	10	10	SA	Ongoing
ELA170/2016 (EL4961)	Moonta	Peninsula Resources	10	10	SA	Ongoing
EPM17061	Mt Osprey	Birla Mt Gordon	#22.9	#22.9	QLD	Ongoing
M15 1828	Spargos Reward	Minex Australia, Corona Minerals	Ni 100%	Ni 100%	WA	Ongoing
M15 395	West Kambalda	Tychean Resources	Ni 100% +1.5% NSR	Ni 100% +1.5% NSR	WA	Ongoing
M15 703	West Kambalda	Tychean Resources	Ni 100% +1.5% NSR	Ni 100% +1.5% NSR	WA	Ongoing
L15 128	West Kambalda	Tychean Resources	Ni 100% +1.5% NSR	Ni 100% +1.5% NSR	WA	Ongoing
L15 255	West Kambalda	Tychean Resources	Ni 100% +1.5% NSR	Ni 100% +1.5% NSR	WA	Ongoing
E15 967	West Kambalda	Tychean Resources	Ni 100% +1.5% NSR	Ni 100% +1.5% NSR	WA	Ongoing
E15 968	West Kambalda	Tychean Resources	Ni 100% +1.5% NSR	Ni 100% +1.5% NSR	WA	Ongoing
P15 5860	West Kambalda	Tychean Resources	Ni 100% +1.5% NSR	Ni 100% +1.5% NSR	WA	Ongoing

**# Diluting interest**

Ni 100% = 100% interest in Nickel rights only

Ni 100% +1.5% NSR = 100% interest in Nickel rights and 1.5% NSR all other minerals

§ Sandfire Resources earning up to 80% interest in portion of the tenement