

23 October 2018

ASX Release

Drilling underway at Highlands Cu project, Mt Isa, Queensland

Highlights

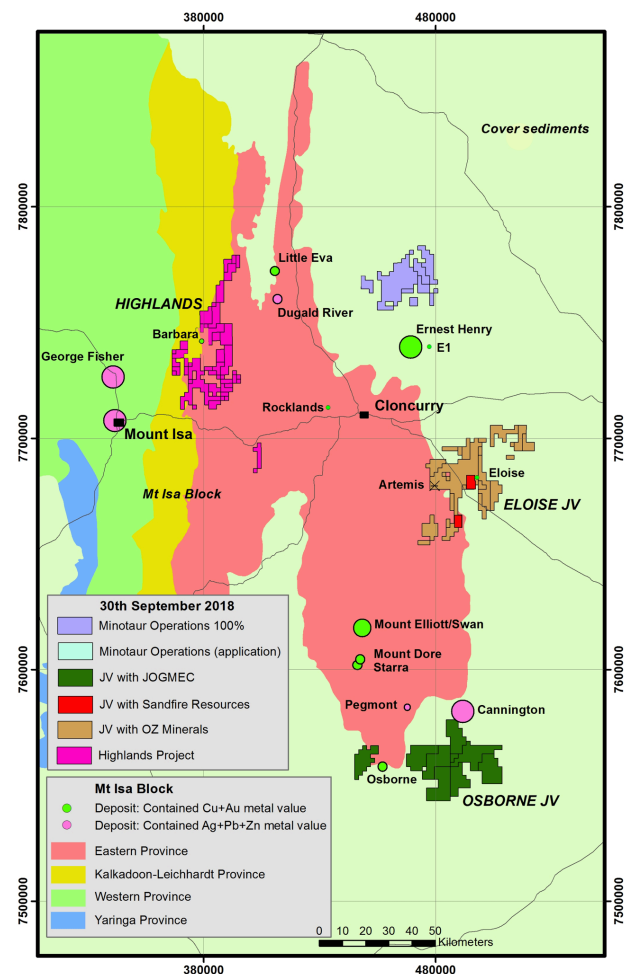
- Minotaur's inaugural drilling program is underway
- 3 holes planned to test strong EM conductor at Gospel initially
- 5 holes planned initially for 1,200m

Minotaur Exploration Ltd (ASX: MEP, 'Minotaur') has initiated drilling at its recently 100% acquired Highlands project, located 50km northeast of Mount Isa and 80km northwest of Cloncurry in northwest Queensland (Figures 1 and 2).

Drilling is intended to test strong ground EM anomalism contained within broader VTEM targets 'Gospel' and 'Coolibah'. Rock chip samples from both Gospel and Coolibah provide strong geochemical indications that the EM conductors may be associated with sulphide mineralisation.

Three drill holes are planned to test the Gospel conductor and drilling at Coolibah will comprise 2 holes.

Figure 1: Location of Highlands project relative to other Minotaur projects in the Cloncurry - Mt Isa region



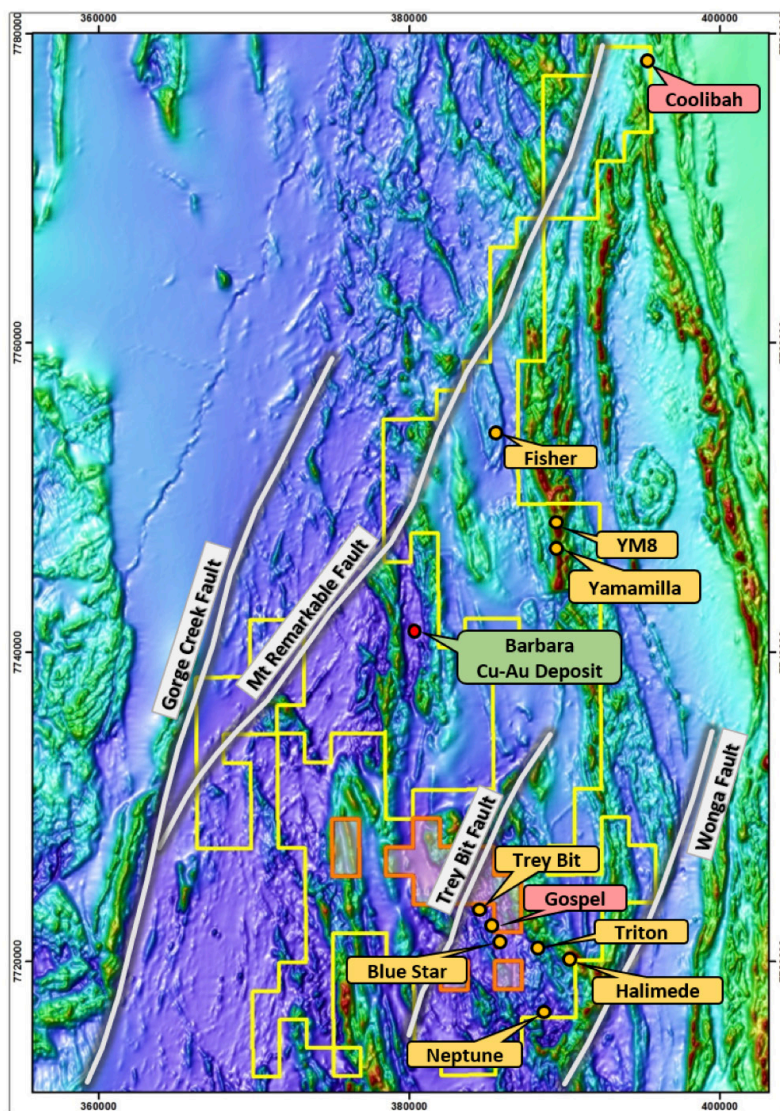


Figure 2: Main prospects in the Highlands Project area. Projection: GDA94, Zone 54.

Exploration Objectives

Gospel Prospect

Modelling of ground EM data produced strong conductor plates up to 7900 Siemens (S) over 600m of plunge extent (Figure 3). The trend of the modelled EM conductors coincides with the strike of the fault zone at surface, which is mapped with a near-vertical dip; however the dip and plunge of the conductors is much shallower, possibly representing a flexure in the fault at depth (Figure 4).

Rock chip samples¹ collected along the fault zone contain highly elevated copper to 16.9%, gold to 1.6g/t, silver to 7.6 g/t and cobalt to 454ppm.

This geochemical association, along with geological and geophysical features, shows strong similarities with the nearby Barbara Deposit^{2,3}.

Three drill holes will test the Gospel conductor, targeting Iron Sulphide Copper Gold (ISCG) style mineralisation. One hole will test the strongest and shallowest part of the EM conductor; the other two holes are targeting the interpreted flexure in the fault down plunge.

A diamond rig has collared the first hole, expected to be complete by late October.

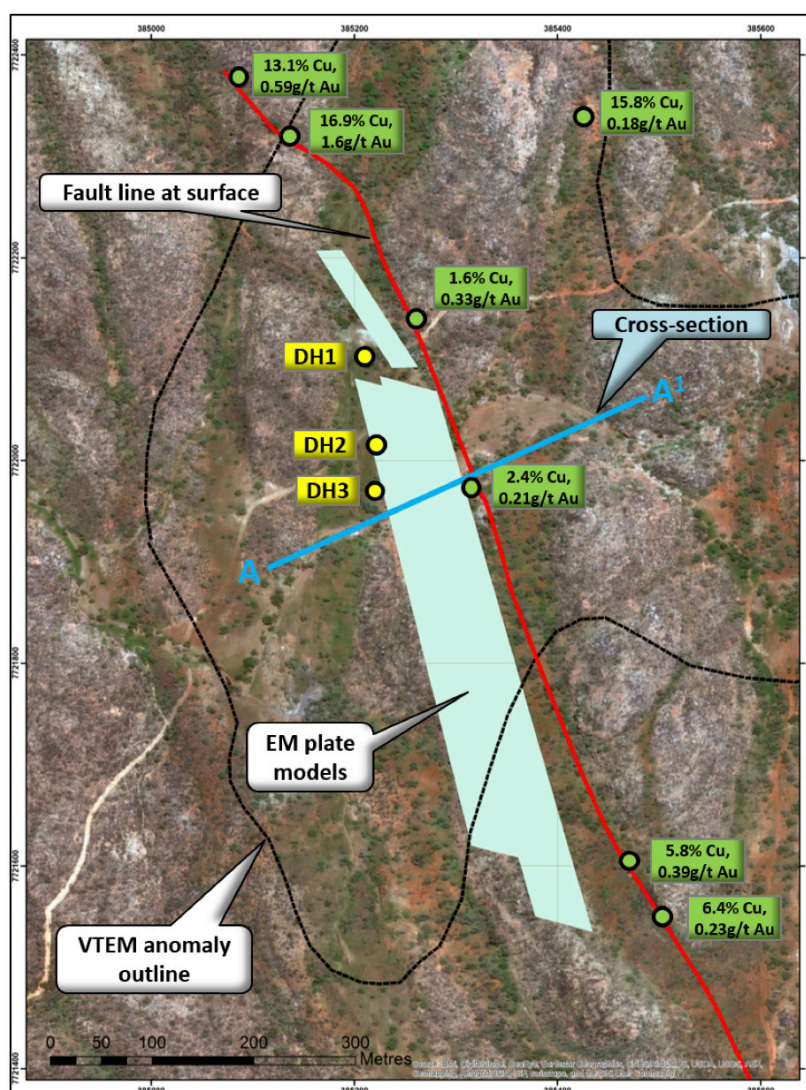


Figure 3: Gospel prospect showing VTEM anomaly outline, ground EM plate models, rock chip samples with Cu-Au assays (green dots) and proposed drill hole locations (yellow dots). The location of the X-section in Figure 4 is superimposed. Projection: GDA94, zone 54.

¹ Exploration results reported to ASX on 6 September 2018, First EM generates positive drill target at Highlands Cu project

² Barbara contains a JORC 2012 Indicated and Inferred Resource of 4.75Mt grading 1.6% Cu, 0.15g/t Au, 2.57g/t Ag, 309ppm Co. Source: Syndicated Metals Ltd 2015 Annual Report, lodged with ASX 20 August 2015

³ The Barbara Cu-Au resource is owned by Round Oak Minerals Pty Ltd, a subsidiary of WH Soul Pattinson and Company Limited (ASX: SOL)

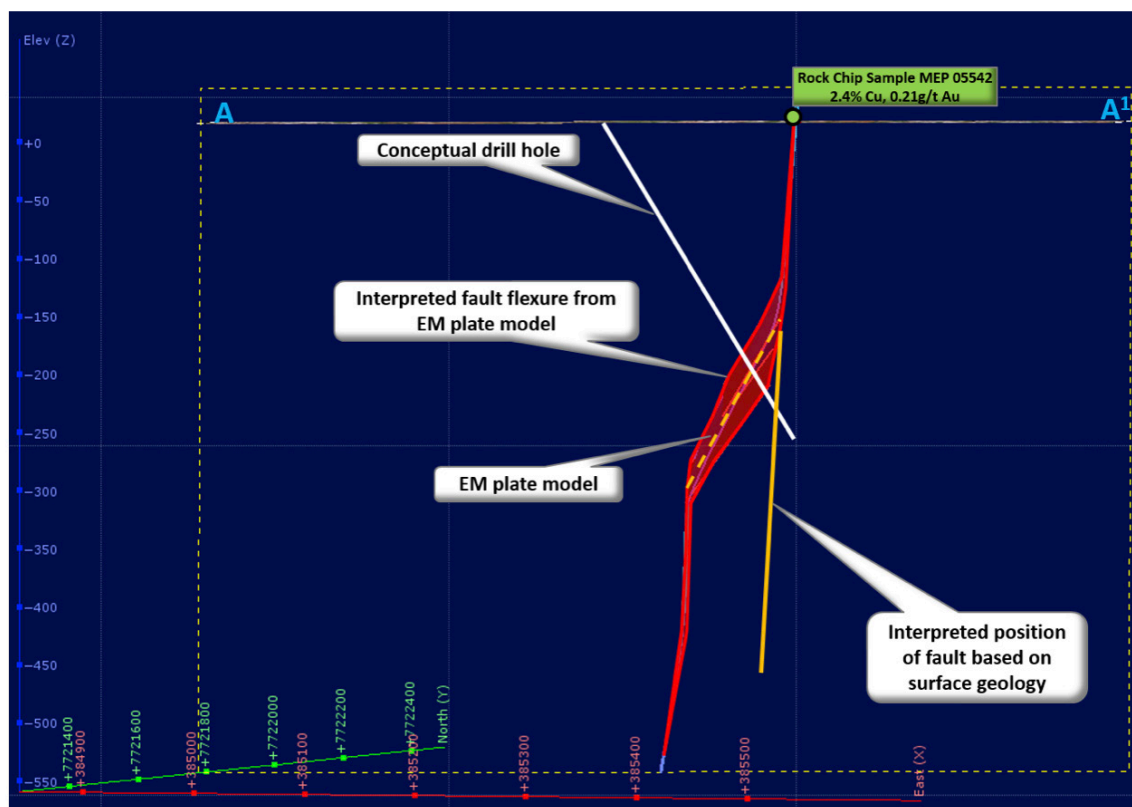


Figure 4: Gospel prospect, cross-section A-A1 from Figure 3, with conceptual model for mineralisation based on surface mapping and recent ground EM data. Note the location of a rock chip from the fault at surface with Cu-Au grades displayed (green dot).

Coolibah Prospect

Modelling of the ground EM data showed two discrete trends (Figure 5). The main set of conductor plates trend northwest along 450m of strike, are up to 3000S, and lie broadly coincident with zones of copper gossan. The other conductor, with a high conductance of 2580S, lies in a north-south orientation and sits under cover with no surface exposure.

Rock chip samples collected along the gossan zone contain strongly elevated copper to 13.2% and cobalt to 1460ppm, plus elevated gold to 0.24g/t and silver to 5.4 g/t (Table 1).

Drilling at Coolibah will comprise 2 holes; 1 hole will test the main northwest-trending conductor coincident with the mapped gossans and 1 hole will investigate the conductor under cover further west.

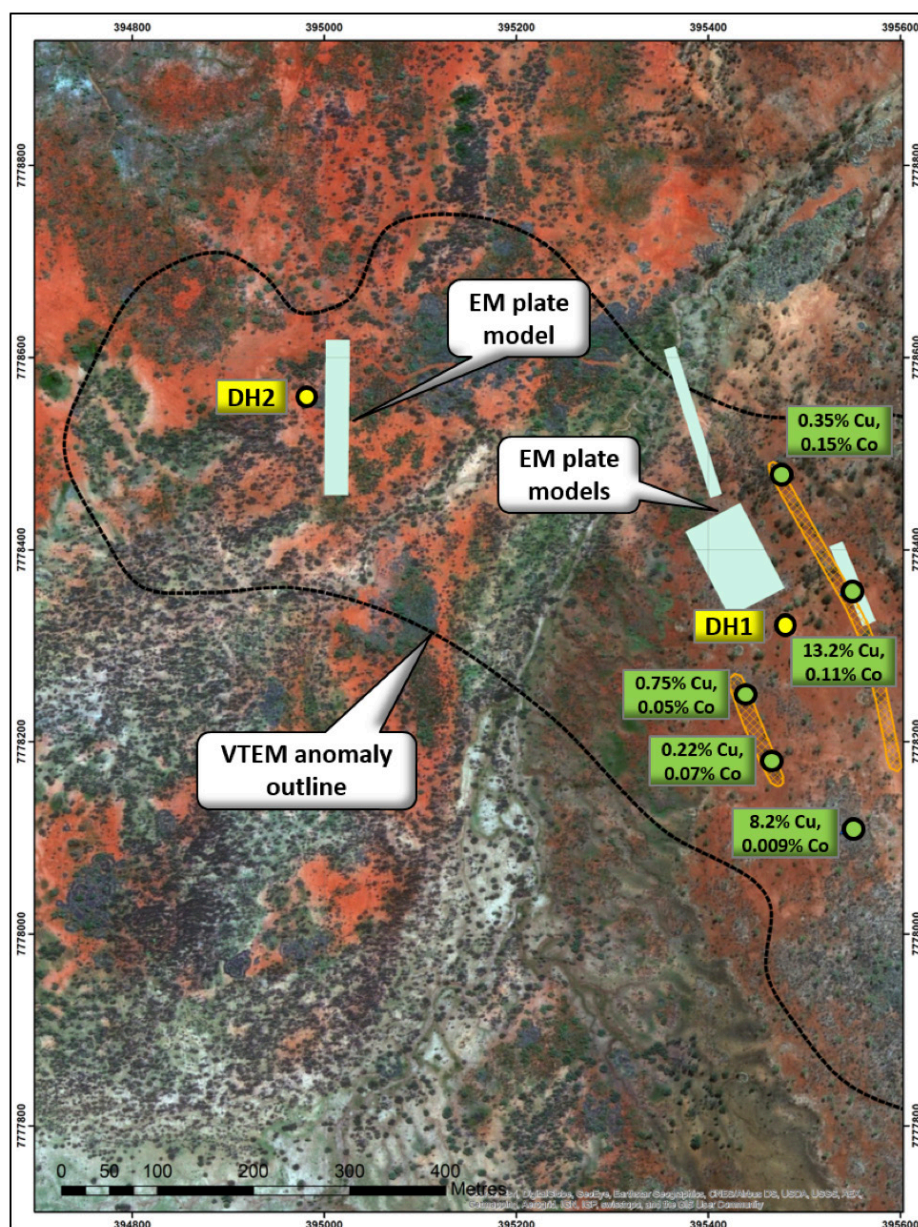


Figure 5: Coolibah prospect showing VTEM anomaly outline, ground EM plate models, rock chip samples with Cu-Co assays (green dots), and proposed drill hole locations. Projection: GDA94, zone 54.

Minotaur Exploration's Methodology

Minotaur is actively building its base metals exploration portfolio in Queensland and South Australia, primarily where copper potential prevails and also where zinc-lead systems are prevalent.

Minotaur successfully combines surface geophysical tools and geological interpretation of obscured basement mineralisation in the Cloncurry copper belt of north-west Queensland, resulting in identification of 'blind' base metal occurrences. These techniques are being applied to known, near-surface copper prospects at Highlands enabling their refinement to drill ready status and have generated viable targets for reconnaissance drilling.

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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