

# Quarterly Report

Period ending 31 March 2019



MINOTAUR  
EXPLORATION

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

## CORPORATE

Negotiations around potential divestment of the Leinster and Saints nickel projects in the goldfields region of Western Australia continue to advance smoothly towards formal documentation. Until such time as a binding agreement is consummated there can be no certainty that the proposed transaction will conclude.

Partners in the Eloise Joint Venture (OZ Minerals 70% and Minotaur 30%) have developed an indicative and non-binding Term Sheet for restructuring of the joint venture, which Minotaur anticipates should lead to a binding agreement within weeks. Until such time as a binding agreement is consummated there can be no certainty that the proposed new arrangements will eventuate.

## EXPLORATION, R&D

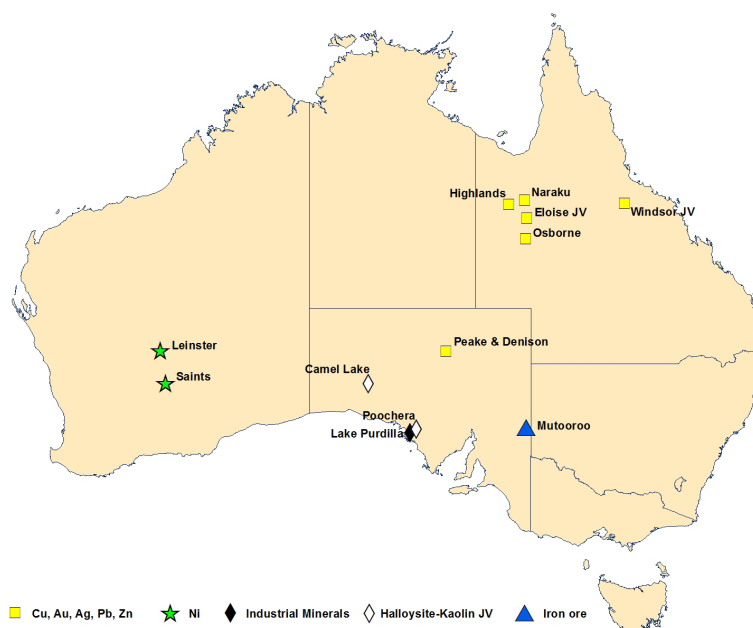


Figure 1: Minotaur Exploration's project locations

Project Location	Tenement Area km <sup>2</sup>
South Australia <sup>s</sup>	5,645
Queensland <sup>s</sup>	2,821
Victoria	120
Western Australia	196
<b>Total Area</b>	<b>8,782</b>

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

## QUEENSLAND

Queensland continues to be the main area of Minotaur's field activities in 2019 (Figure 1). No field work was undertaken during the March Quarter due to the northern Australia wet season, however Minotaur has prepared an active work program through the remainder of the year.

The Cloncurry region will be the principal focus (Figure 2), where preparations readied for a substantial drilling program at the Jericho copper-gold discovery for the Eloise JV. Further east, Minotaur will initiate work at the Windsor JV, exploring the highly prospective Mt Windsor Volcanic Belt for VMS-style base metal mineralisation.

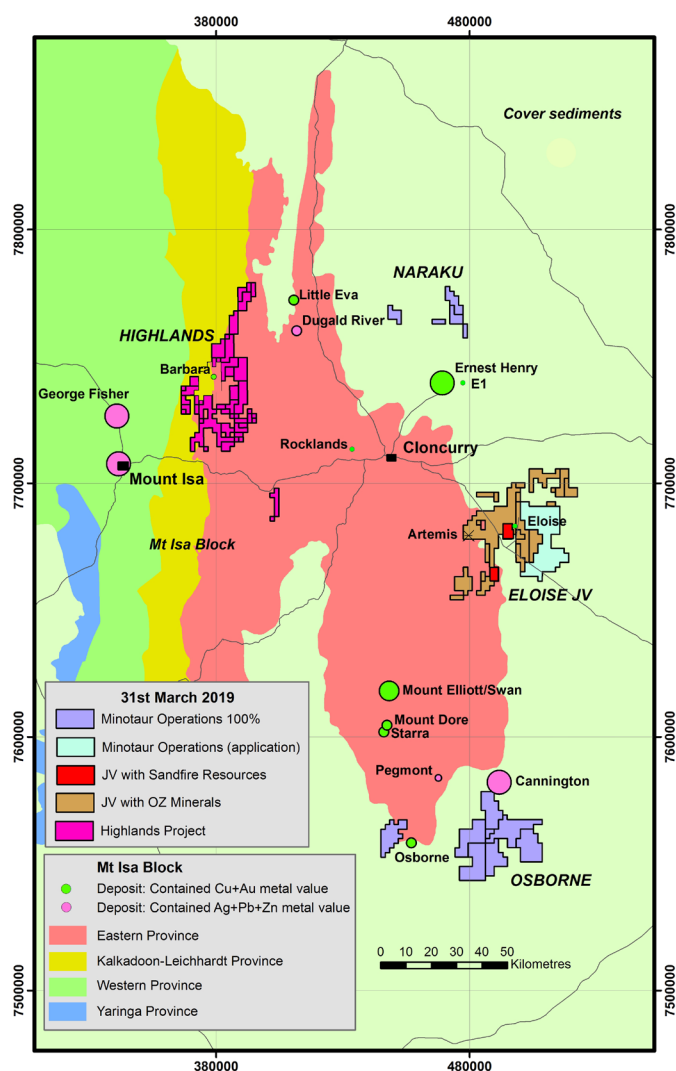


Figure 2: Location of Minotaur tenements in the Cloncurry and Mount Isa regions of Northwest Queensland

## QUEENSLAND

### Eloise Farm-In (OZ Minerals)

*Minotaur 30%, OZ Minerals 70% (except on those parts of MDL431 and EPM17838 where Sandfire Resources NL 60% and Minotaur 40%); Area 766km<sup>2</sup>*

The Eloise project (Figure 3), 65km south-east of Cloncurry, is a joint venture ('Eloise JV') between Minotaur and OZ Minerals Ltd (ASX: OZL). At the end of March 2019 OZ Minerals had attained 70% beneficial interest in the Eloise JV tenements through investment of \$10 million.

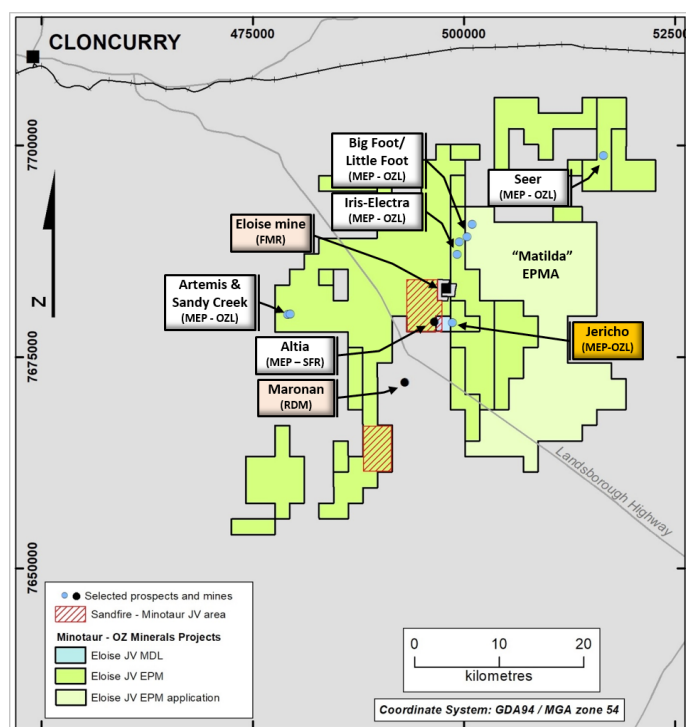


Figure 3: Eloise project location

### Jericho Copper Deposit

Preparations resulted in resumption of drilling at Jericho early in April, probing the parallel J1 and J2 copper lodes. Two multi-purpose rigs are being utilised, operating 24/7, with 21,000m of drilling planned to a vertical depth of 300m concentrating on the central sections of each structure (Figure 4 and Figure 5). The program is intended to improve geological confidence in lode continuity and grade by closing existing hole spacings and is expected to enable estimation of an inaugural JORC resource for that portion of Jericho.

## QUEENSLAND

80-90 holes are planned within the central Jericho zone, a portion of the broader mineral system as defined by drilling in 2018. Significant additional areas of mineralisation were defined along Jericho, on both J1 and J2, outside of the current drill program. Those areas remain relatively sparsely drilled, show good geological continuity with strong copper-gold grades and are expected to be the subject of future drill programs.

Drilling will continue through July and is being managed and operated by Minotaur on behalf of the JV.

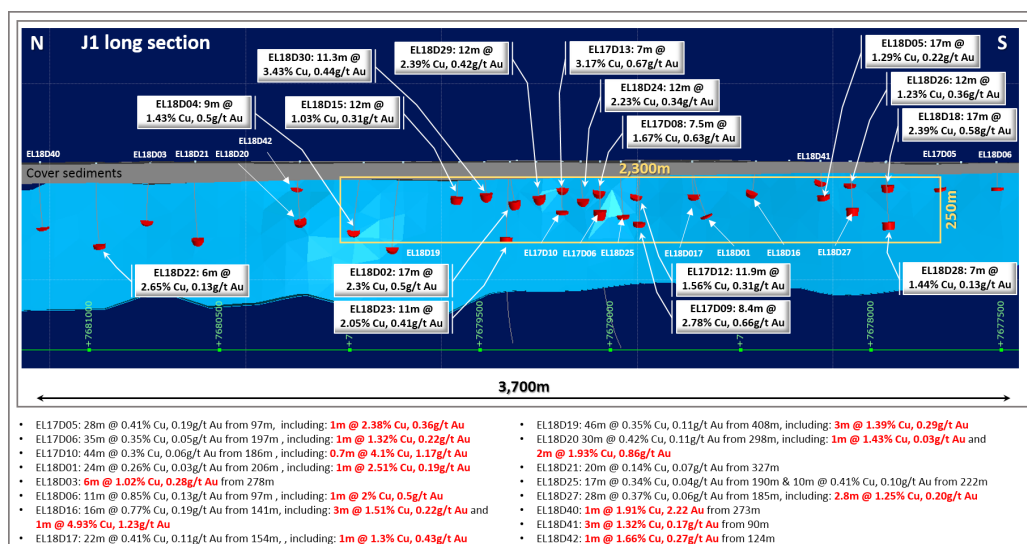


Figure 4: Jericho "J1 Zone" long section (looking east). Area of current drilling focus outlined in yellow box

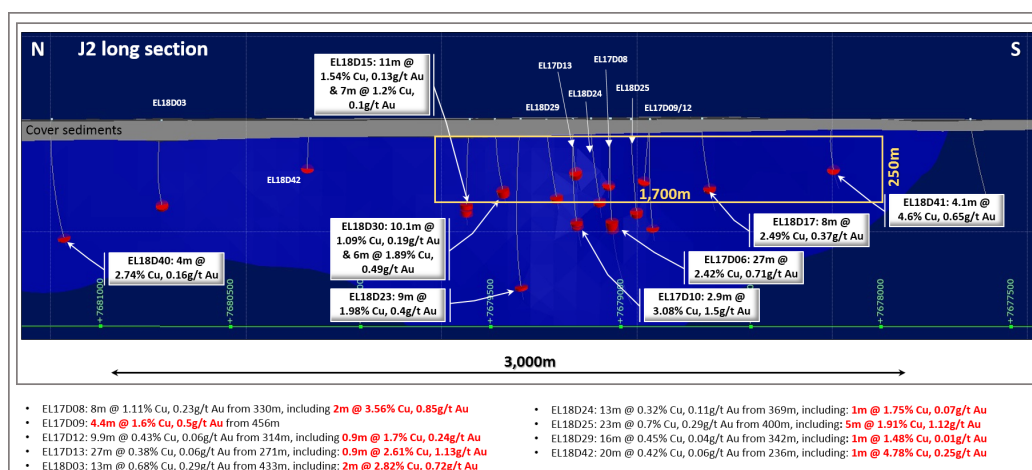


Figure 5: Jericho "J2 Zone" long section (looking east). Area of current drilling focus outlined in yellow box



## QUEENSLAND

### Regional Targets

Two significant basement EM conductors, at Seer and Big Foot/Little Foot (Figure 6), are intended to be drill tested later in 2019. The Seer anomaly requires a landholder access agreement and traditional owner site clearances, both of which are expected to be completed in Q2. Big Foot and Little Foot lie within tenement-under-application EPM 27052 "Matilda". Minotaur has priority applicant status from the Department of Natural Resources, Mines and Energy, with the application now in the mandatory notification period, grant from which is expected later this year. Once granted, an infill ground EM survey will be conducted to refine the target for drill testing.

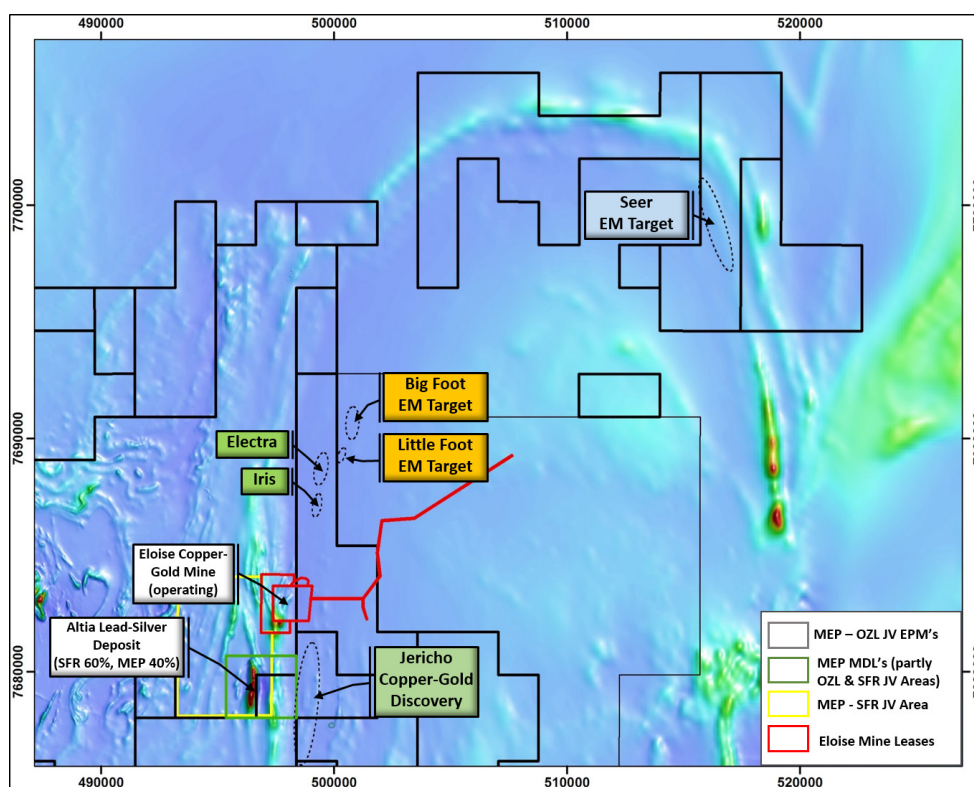


Figure 6: Location of Seer and Big Foot/Little Foot conductors relative to Jericho.  
Background image is regional magnetics

## QUEENSLAND

### Altia Joint Venture

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

No activity reported by Sandfire Resources (Operator).

### JOGMEC Osborne Joint Venture

*Minotaur 100%; Area 715km<sup>2</sup>*

The Osborne project is located 175km south of Cloncurry, Figure 2, where basement is overlain by +100m of cover sediments. Joint venture participant Japan Oil, Gas and Metals National Corporation (JOGMEC) recently notified Minotaur of its withdrawal from the joint venture, with its focus swinging to Latin America. Minotaur retains 100% ownership of the tenement group and wishes to acknowledge JOGMEC's strong support of Minotaur over many years through various joint ventures.

### Highlands Project

*Minotaur 100%; Area 667km<sup>2</sup>*

The Highlands project is located 50km northeast of Mount Isa, Figure 2, where Minotaur is seeking ISCG-style mineralisation. There was no activity during the wet season.

### Regional Cloncurry Project

*Minotaur 100%, in which EPM 8608 carries a net smelter royalty of 2% payable to South 32; Area 412km<sup>2</sup>*

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

## QUEENSLAND

### Windsor Joint Venture

Private Entity 100%; Area 667km<sup>2</sup>

Windsor, centered 200km south-west from Townsville in north east Queensland (Figure 1), is a joint venture between Minotaur and a private entity. The tenement area encompasses 631km<sup>2</sup> and is held 100% by the private entity. Minotaur may earn up to 80% interest in the tenements through expenditure of \$4 million over 5 years.

Preparations are complete for a ground electrical geophysical survey where Minotaur will be searching under conductive cover for VMS-style base metal mineralisation in a known, well mineralised belt. The survey will focus on the western portion of the project area covering parts of the interpreted Thalanga and Waterloo VMS horizons (Figure 7). The survey is expected to be completed in the next Quarter.

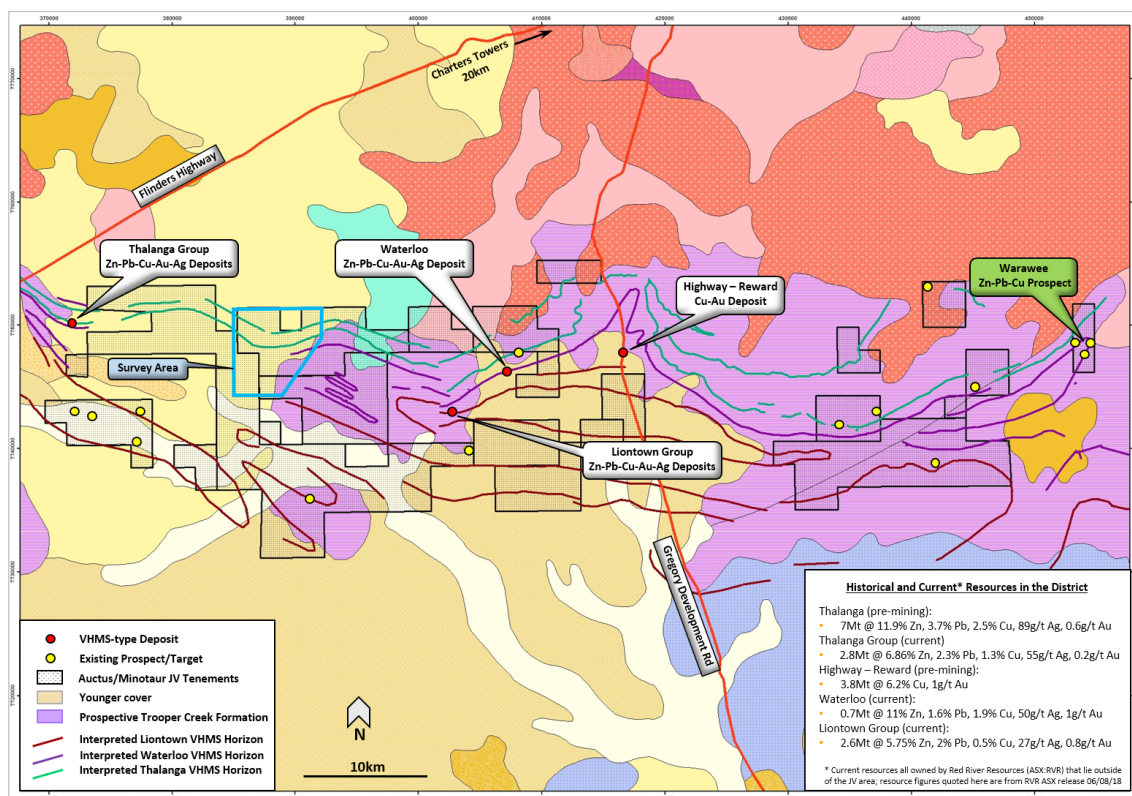


Figure 7: Windsor regional geology, targets, regional mineral resources & mines and location of proposed geophysical survey (blue outline)





## SOUTH AUSTRALIA

### Border Base Metals JV

*Sumitomo 52.7%, Minotaur 47.3%; Area 243km<sup>2</sup>*

No activity to report.

### Poochera Kaolin

*Minotaur 100%; Area 1,576km<sup>2</sup>. Andromeda Metals in joint venture to earn up to 75%*

Andromeda Metals (ASX: ADN, Andromeda) notified Minotaur that its minimum expenditure obligation had been satisfied and is moving into its first stage joint venture commitment of \$3 million. Andromeda's efforts are currently directed to a resource update and consumer testing of raw material shipped to China. A scoping study will be implemented by mid 2019.

### Peake & Denison Ranges R&D

*Minotaur 100%; Area 2,547km<sup>2</sup>*

3D magnetic cube modelling of the Peake and Denison subsurface terrain, over a 30 x 70km trial area, generated unique new views of subsurface magnetic anomalism which, together with new geochronological data, suggests a suite of 1470-1520Ma age alteration phases. Should this new predictive model show success the methodology may create first mover advantage for Minotaur in the Gawler Craton.

### North Flinders Project

*Minotaur 10%, Perilya 90%; Area 601km<sup>2</sup>*

No activity reported by Perilya (Operator).





## WESTERN AUSTRALIA

### Saints Nickel Project

*Minotaur 100%; Area 20km<sup>2</sup>*

An ASX listed entity has confirmed its interest in acquiring this project in return for an equity allocation to Minotaur. The company's proposal has merit and has been accepted in principle by Minotaur, subject to receipt of an executable binding asset sale agreement and due diligence.

### Leinster Nickel Prospects

*Minotaur 100%; Area 176km<sup>2</sup>*

The Leinster tenements E36/899 (Fly Bore) and E36/936 (Valdez) will form part of the asset sale agreement as for Saints Nickel project. The proposed transaction remains incomplete pending legal documentation and due diligence; as such there can be no certainty that the sale of assets will complete.

Separately, tenement E37/909 (Javelin) is the subject of a conditional sale agreement with a private group. That party has completed a reconnaissance air-core drilling program as part of its due diligence and, subject to results, will proceed to tenement acquisition by the end of June 2019. Consideration is a mixture of some cash and mostly shares, equating to \$200,000.

Completion of these proposed sale agreements will result in final divestment of legacy assets in Western Australia acquired through the 2013 takeover of Breakaway Resources Ltd.



### 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.

## Note: March 2019 Quarter ASX Announcements

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

- Change of Director's Interest Notice – Dr Higgins, 25 February 2019
- Change of Director's Interest Notice – Dr Higgins, 22 March 2019
- Drilling resumes at Jericho copper discovery, 4 April 2019

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