

Quarterly Report

for the period ending 30 September 2014

www.minotaurexploration.com.au



HIGHLIGHTS

CORPORATE

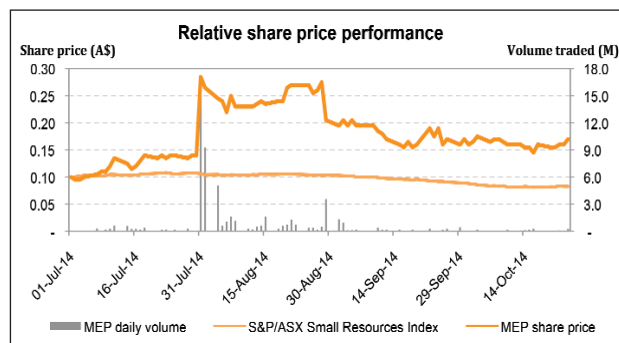
- Cash at end of Quarter was \$3.95 million.
- A Share Purchase Plan and subsequent placement raised approximately \$4 million in October.
- A conditional sale agreement was executed for the Lake Purdilla gypsum asset placing a commercial value of \$4.8 million on the undeveloped deposit.

EXPLORATION

- A significant discovery, the polymetallic Cu-Au-Zn-Ag Artemis Prospect, emanated from the Company's intensive exploration efforts at the Eloise Copper JV near Cloncurry, Queensland.
- An accelerated workplan and budget to advance the Artemis discovery was approved with joint venture partner Golden Fields Resources Pty Ltd.
- An increased budget and workplan were approved for Naraku region (Cloncurry) exploration with joint venture partner JOGMEC.

CORPORATE REVIEW

Minotaur's value proposition of exploration potential was reinforced by the Artemis discovery announced on 31 July 2014. Market reaction to the news was undeniably strong, the share price more than doubling during the announcement day. Notwithstanding retracement since of Minotaur's share price to pre-discovery levels, the Company continues to outperform the ASX Small Resources Index (ASX: XSR), as shown on the following graphic.



At 30 September 2014 the Company's market value was \$25.9 million. Cash and term deposits totalled \$3.95 million. Investments in ASX listed companies (refer *Table 2* for details) were valued at market at \$1.02 million.

Net expenditure outflow during the Quarter was \$0.85 million (net after joint venture recoveries). Expenditure through the December 2014 Quarter is forecast to be \$0.89 million.

Consistent with the Company's stated objective of divesting non-core assets, a binding but conditional agreement was executed for sale of the Lake Purdilla Gypsum deposit. The agreed sale price of \$4.8 million, payable in two equal tranches upon certain conditions precedent being met, establishes a commercial value for the project whereas its contribution to Minotaur's market enterprise valuation has been Nil.



REVIEW OF ACTIVITIES



Figure 1: Minotaur Exploration's project locations.

PROJECT LOCATION	TENEMENT AREA KM ²
NSW [§]	624
South Australia [§]	8,812
Queensland [§]	3,988
Victoria	1,409
Western Australia ^{§¶}	1,073
Total Area	15,906

Table 1: Minotaur Exploration Limited's tenement areas, under application and/or held 100% or in joint venture[§] or within Minotaur Gold Solutions Ltd[¶] (MinAuSol; Minotaur Exploration as to 50%).

QUEENSLAND

Minotaur's main area of exploration activity is in the Cloncurry copper belt of North Queensland where an extensive (3,988 km²) package of tenements highly prospective for iron oxide copper-gold mineralisation has been assembled over the past several years (Figure 2).

Most tenements are veneered by cover sediments and are being systematically surveyed using advanced geophysical techniques to generate new drill targets.



QUEENSLAND

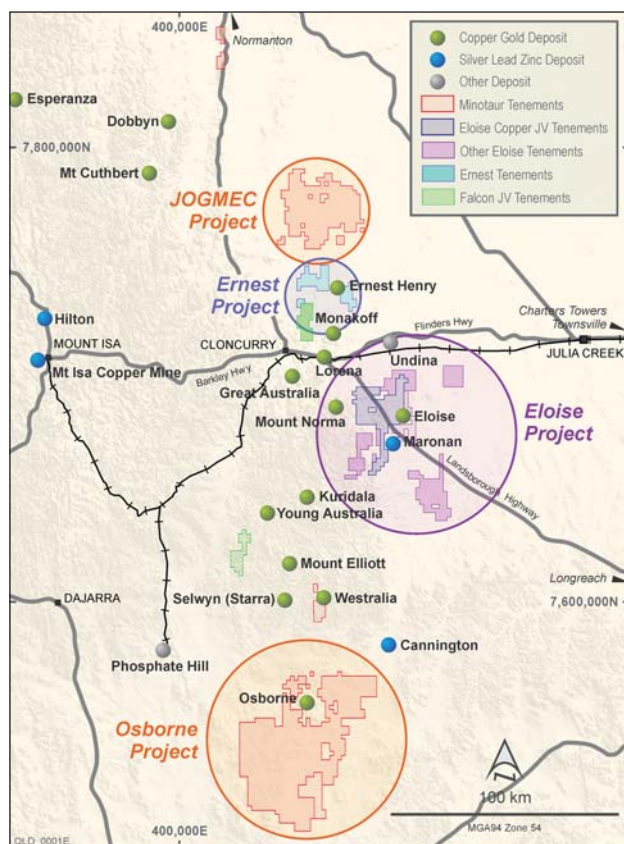


Figure 2: Location of Minotaur tenements in the Cloncurry region of North Queensland. Eloise Copper JV tenements adjacent to the Eloise mine are shown as grey colour.

Eloise Copper Joint Venture

EPM17838, EPM 18442, MDL431, MDL432, Minotaur 85%, GFR earning 50%, (except on those parts of MDL 432, MDL431 and EPM17838 where Sandfire Resources NL is earning 80%)

Systematic drill testing of geophysical targets generated from airborne VTEM and ground EM data acquired as part of the joint venture workplan led directly to the discovery of the Artemis polymetallic deposit. The first drillhole at Artemis (Figure 3) intersected a continuous body of iron, copper and zinc sulphides and returned an assay interval of 22m @ 3.0% Cu, 3.8 g/t Au, 6.6% Zn and 112 g/t Ag from 157m to 179m (downhole intercept)¹.

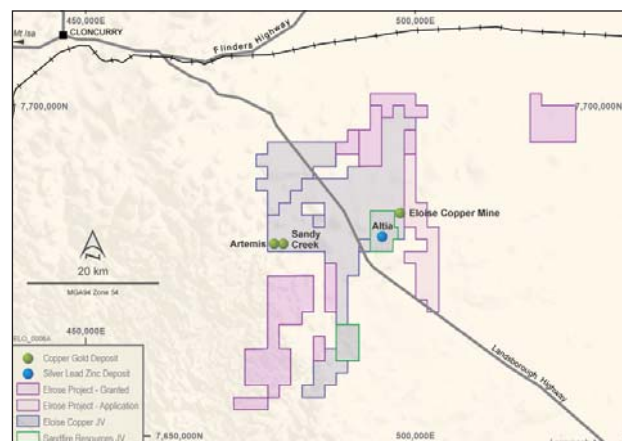


Figure 3: Location of Artemis Prospect and Sandy Creek deposit on the Eloise Copper Joint Venture tenements. The Eloise copper mine and the Sandfire JV areas are excluded from the Eloise Copper Joint Venture.

Two subsequent drillholes confirmed over 100m of up-dip and down-dip extension of mineralisation (Figure 4) and follow-on downhole EM surveys have projected the body to the limit of sensor detection, some 235m below surface.

Historic drillhole collars in the vicinity of Artemis were also located, re-surveyed and their geology-mineralisation brought into context (Figure 5).

After expanded heritage surveys and joint venture meetings, an accelerated work plan was approved² with a wholesale new geophysical survey designed to better image the mineralised body and assist drill targeting. Drilling recommenced in late October³ with the initial focus on defining the strike extent and grade variation of the thick mineralisation, then deeper testing to define down-dip continuation and, subsequently, regional extent along the host structure.

A new suite of greenfield Artemis-like targets has been redefined from regional VTEM data.

¹ High Grade Copper-Gold Discovery at Cloncurry, MEP report to ASX dated 31 July 2014.

² Aggressive \$6M Workplan Launched Around Artemis Copper-Gold Prospect, MEP report to ASX dated 13 October 2014.

³ Drilling Underway at Artemis Prospect, MEP report to ASX dated 22 October 2014.



MINOTAUR
EXPLORATION

Quarterly Report for the period ending 30 september 2014

QUEENSLAND

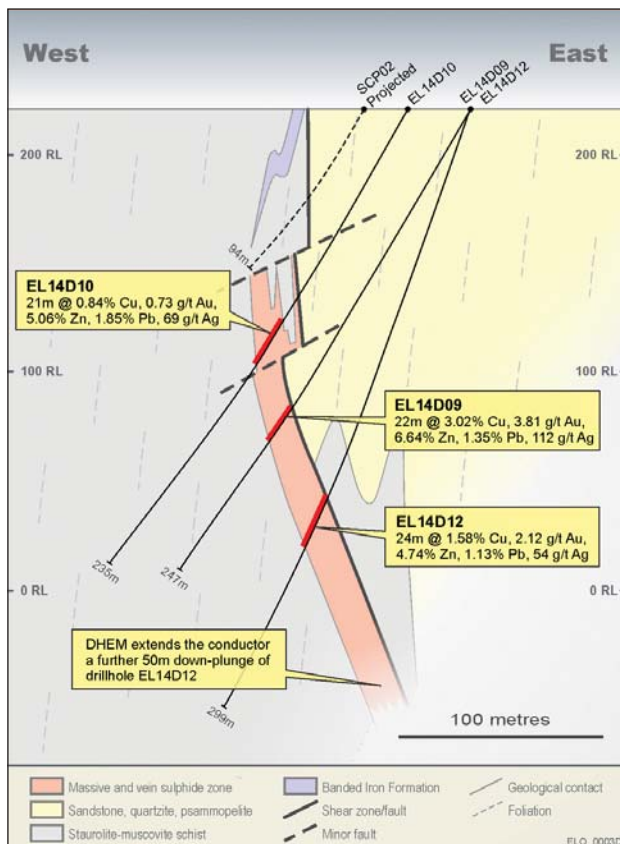


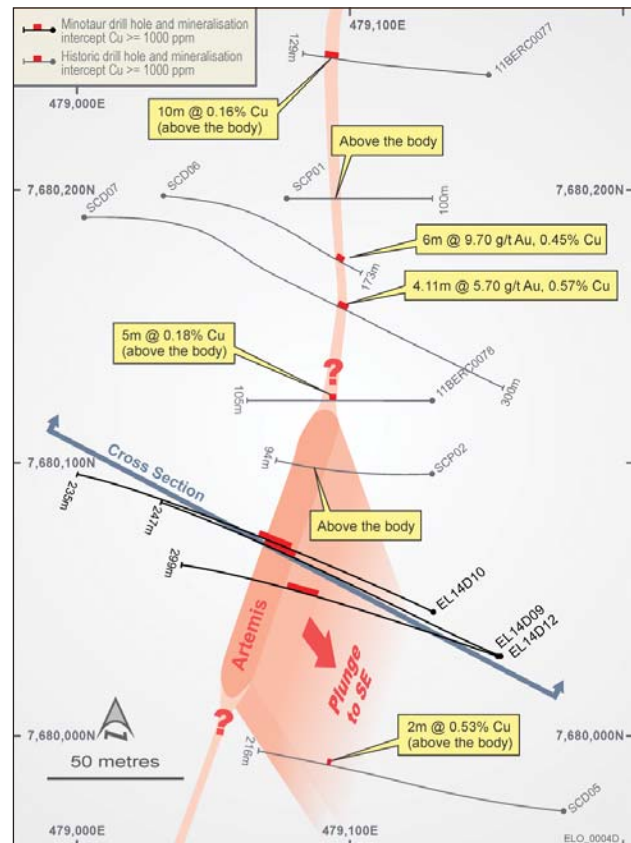
Figure 4: Cross-section of the Artemis Prospect showing completed drill holes EL14D09, EL14D10 and EL14D12, significant drillhole intercepts and DHEM projection of conductor. Historic drillhole SCP02 trace also shown.

Altia Joint Venture

MDL432, parts of MDL431 and parts of EPM17838.
Sandfire Resources NL earning 80%

The Altia joint venture project, operated by Sandfire Resources NL (ASX: SFR) and located immediately south-west of the Eloise copper-gold mine (Figure 3), includes an option with Minotaur's subsidiary Breakaway Resources Pty Ltd to joint venture into two areas encompassing 43.7km², whereby Sandfire may earn up to 80% of the project.

Sandfire Resources completed three drill holes in the joint venture area during the Quarter at the Altia, Boralis and Capricorn prospects.





QUEENSLAND

Cloncurry Joint Venture (JOGMEC JV)

Based on the geophysical data, the joint venture approved a drilling program (6 holes, 2,000 metres) to test five individual targets (Jessievale, Cyclone, Emu South, Clonagh South and Gidyea Bore), widely separated over some 400 square kilometres of strongly iron-altered bedrock. Target mineralisation styles sought are magnetite-hosted (e.g. Ernest Henry) and pyrrhotite-hosted (e.g. Eloise) copper and gold.

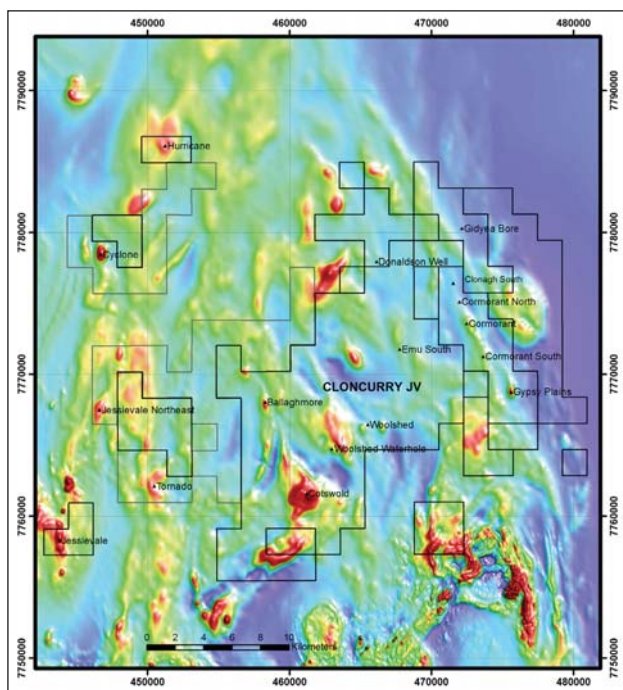


Figure 6: Regional TMI-RTP magnetic image for the Cloncurry JV showing prospects with drill targets at Cyclone, Jessievale, Emu South, Clonagh South and Gidyea Bore.

Osborne Project

EPMs 18571, 18572, 18573, 18574, 18575, 18576, 18720, 19050, 19061, 19066; EPMA 25197, 25699, Minotaur 100%

Supported by our innovative in-house geophysical trials, the Company submitted a proposal for airborne electrical geophysics for consideration by the Geological Survey of Queensland under their **Industry Priorities Initiative** to identify priority geoscience projects capable of significantly boosting mineral discovery rates.

Minotaur's proposal, for a VTEM Supermax aerial electromagnetic survey of a selected part of the Osborne project area, was successful.

The survey is expected to be flown in late 2014 or early 2015 and will further assist the Company to identify and rank a suite of Cu-Au drill targets in the Osborne project area.

Falcon Joint Venture

EPM 18289, 18313 Falcon Minerals Ltd 100%, Minotaur earning 51%

The Company elected to withdraw from its joint venture with Falcon Minerals to focus on the Artemis discovery and the Eloise area.

NEW SOUTH WALES

Arthurville Base Metals Project

EL 7588, Minotaur 100%

No activity on the tenement during the Quarter.

SOUTH AUSTRALIA

Bonython Hill Project

EL 4745, Minotaur 100%

Rock chip and lag samples from rock outcrops exhibiting a weak magnetic feature associated with mineralisation at the Mingary Mine returned results highly anomalous in Au and other pathfinder elements such as Cu, As, Zn, In, Pb and Sb, indicating that this mineralised horizon continues for an extended distance from the Mingary Mine (Figure 7).

Recognition of gahnite and blue quartz in drillhole petrology samples provides evidence for an interpretation of the Mingary Mine 'line of lode' as representative of a new style of Broken Hill-type lode mineralisation with Au-Cu ore mineralogy compared to traditional Pb-Zn-Ag Broken Hill-type mineralisation. The linear feature extends from the Bonython Hill tenement onto the adjacent Mingary tenement.



SOUTH AUSTRALIA

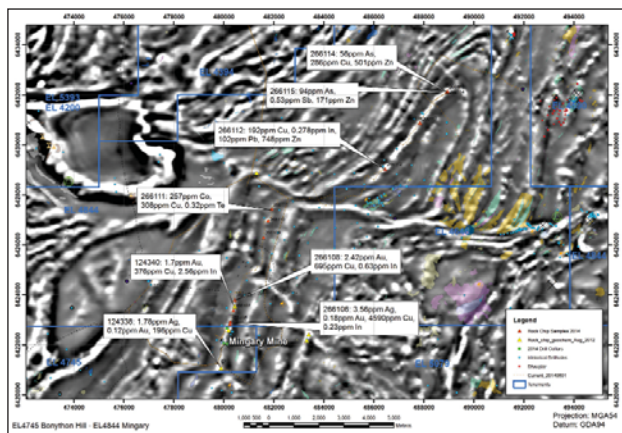


Figure 7: Rock chip sample results for Mingary Mine area overlain on greyscale magnetic image.

Border Base Metals Project

EL 4352, 4844, 5079, 5437 Sumitomo 56.5%,
Minotaur 43.5%

The Mingary Mine 'line of lode' sampling described above continues on to the Mingary joint venture tenement where it has been traced in aeromagnetics and outcrop/lag samples for some 12 kilometres. Further work is in progress.

Industrial Minerals Project

EL 4575, 4697, 5016, 5095, 5308, 5365 5395, 5398,
ELA 5502, Minotaur 100%

Testing of samples for ceramic and silica proppants continued in parallel with potential investment and offtake discussions with various parties. The Company received Innovation Voucher funding for its proposal to bench test ceramic proppants from a variety of Poochera kaolin admixtures.

Subsequent to the end of the Quarter, the Company executed a conditional sale agreement for the Lake Purdilla gypsum project. The purchase price payable of \$4.8 million is subject to a positive outcome of a port and logistics study for the shipment of minerals. A positive outcome for the gypsum port study will also support the case for development of the nearby globally-significant kaolin and halloysite assets through provision of a common port logistics solution.

Gawler Craton Project

EL 4776, 4980, 4981, 5096, 5097, EL 5232,
Minotaur 100%

Access approvals for Southern Gawler Ranges tenements are in progress in order to conduct ground EM surveys over selected targets prospective for base metals and silver mineralisation similar to that at the Meninnie Dam and Paris deposits. Tenements requiring Woomera Prohibited Area access agreements were relinquished.

North Flinders Project

ELs 4388, 4478, 5117, ML 4386, Minotaur 10%,
Perilya 90%

No information to report.

VICTORIA

Victorian Copper Project

ELs 5402, 5403, 5450, 5475 Minotaur 100%

No activity during the Quarter.

WESTERN AUSTRALIA

Yerrida Project

E51/1580, E51/1581, E51/1585, E51/1591, E51/1593,
Minotaur 100%

Finalisation of native title agreements and tenement grant allowed field work to commence. Field inspection of anomalies generated through the airborne EM survey (AEM) flown by the Department of Mines and Petroleum and Geoscience Australia (Capricorn Survey) is continuing.

Scotia Project

E29/661, E29/719, P29/2105, P29/2117, P29/2118,
P29/2119, P29/2120, P29/2121, M29/245, M29/246,
M24/279, M24/336, Aphrodite Gold Ltd earning up to
80% of gold rights. E29/886, Minotaur Gold Solutions Ltd
100% of which Minotaur 50%, GFR 50%

The Scotia Project comprises a group of tenements located about 65km north of Kalgoorlie in Western Australia. The tenements are held by Minotaur Gold Solutions Ltd (MinAuSol), the shares in which are owned 50% by Minotaur.



WESTERN AUSTRALIA

Scotia Project

The tenements (excepting E29/886) are subject to a joint venture with Aphrodite Gold Limited (ASX: AQQ) (Aphrodite) under which Aphrodite has earned 51% beneficial interest in gold rights through joint venture expenditure. Discussions continued with Aphrodite on their expenditure and other obligations under the joint venture with the objective of mutually resolving management issues.

The Scotia tenements exhibit significant nickel potential along the Bardoc Shear Zone. A nickel exploration program commenced with approximately 50% of a 50 line km ground EM survey completed by end of the Quarter.

Leinster Gold Project

E36/235, E37/909, M36/475, M36/502, M36/511, M36/524, M36/526, M36/548, M37/806, M37/877, M37/878, P37/170, P37/7370, P37/7371, P37/7372, P37/7373, Minotaur 85%, GFR 15%

At end of the Quarter, the joint venture parties resolved to shift focus on the Leinster tenements from gold to nickel, with each party participating according to their current equity. A program of new generation ground EM commenced with the expectation that a portfolio of drill targets will be assembled.

West Kambalda

M15/395, TYK 100%, MEP with nickel rights and royalty on other minerals

Minotaur holds certain nickel mining rights and other mineral royalty rights across a number of tenements in the Widgiemooltha-West Kambalda region of Western Australia. Tychean Resources (ASX: TYK) (Tychean) completed a 6-hole RC drill programme⁴ on one such tenement (M15/395) as part of a regional gold exploration campaign. Tychean's objective was to confirm gold mineralisation beneath the historic, shallow 5B gold pit. Minotaur independently assayed Tychean's RC samples for nickel, gold and PGE elements⁵ confirming the tenor of nickel mineralisation and veracity of historic data.

NOVA SCOTIA, CANADA

In 2013, Canadian private exploration company Cogonov Inc. flew a number of airborne VTEM surveys across its various tenement packages along the Cobequid IOCG belt, including the Copper Lake region. Cogonov intends to list on the TSX and continues to explore the region.

Under an advisory services agreement between Minotaur and Cogonov, the Company continued to process geophysical data to assist Cogonov with targeting and drill prioritisation.

Note: relevant September 2014 Quarter ASX Announcements

Further details (including JORC 2012 Code Reporting Tables, where applicable) for exploration results outlined above can be found in the following announcements lodged with the ASX.

- Significant new nickel and gold results from drilling, West Kambalda (23 July 2014)
- High grade copper-gold discovery at Cloncurry (31 July 2014)
- Further high-grade mineralisation at Cloncurry (15 August 2014)
- More high-grade results at Artemis copper-gold discovery (29 August 2014)
- Ground EM at Saints nickel prospects (3 September 2014)
- Down-hole EM extends Artemis sulphide zone, Cloncurry (23 September 2014)
- Progress report, Artemis prospect drillout, Cloncurry (3 October 2014)
- Multiple conductors selected for drilling, JOGMEC JV (10 October 2014)
- \$6M workplan launched around Artemis copper-gold prospect (13 October 2014)
- Agreed sale of gypsum project (20 October 2014)
- Drilling underway at Artemis prospect (22 October 2014)

⁴ Significant Composite Gold Results from RC Drilling at Spargoville (WA), Tychean Resources Limited ASX Announcement 20 June 2014.

⁵ Significant New Nickel and Gold Results from Drilling Under Historic Mine, West Kambalda, MEP report to ASX dated 23 July 2014.

**COMPETENT PERSON'S STATEMENT**

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr A. P. Belperio, a Competent Person and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr Belperio is a director and 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). Dr Belperio consents to inclusion in this document of the information in the form and context in which it appears.

INVESTMENTS

Minotaur has exposure to a range of exploration opportunities through its holdings in junior listed companies.

At the end of September 2014 those investments were valued at market at \$1.02 million, as shown in the following Table 2. Minotaur divested its 7,266,238 shareholding in Variscan Mines Ltd for net proceeds of \$289,550 in September 2014.

Company	ASX Code	Holding at 30 Sept 2014	Minotaur %	Closing Price @ 30 Sept 2014	Closing Value
Mithril	MTH	21,416,667	6.8%	\$0.009	\$192,750
Mungana	MUX	3,076,923	1.9%	\$0.120	\$369,231
Petratherm	PTR	30,000,000	11.9%	\$0.008	\$240,000
Thomson	TMZ	10,000,000	13.7%	\$0.022	\$220,000
TOTAL					\$1,127,694

Table 2: Summary of Investments in ASX Listed companies.