

ASX Release



Drilling tests 12km extension of Mingary gold unit

Highlights

- Drilling begins to test extent of gold mineralisation along strike from historic workings of the Mingary Mine
- 2014 RC drilling revealed sulphide-rich Cu-Au-Ag mineralisation up to 600m north of the old workings
- Rock chip samples of up to 2.4 g/t Au 1.5km north of Mingary confirmed continuation of the Mingary feature in vicinity of 2014 RC drilling
- Interpretation of magnetics suggests system continues for 12km
- Drilling to test continuity of gold bearing unit for up to 12kms north
- Petrology of 2014 RC chips and Cu-Au-Ag metal association of the Mingary horizon indicate that this is potentially an exciting new style of Broken Hill type (BHT) mineralisation

Mingary lode horizon drill campaign

Minotaur (46.4%) and Sumitomo (53.6%), under the Border JV, successfully applied for 2015 PACE funding to drill test the strike extent of the Mingary Cu-Au-Ag mineralised horizon. A series of 4 to 5 RC drillholes for approximately 900m of drilling is planned along the interpreted northern continuation of the Mingary lode to test this horizon for further Cu-Au-Ag mineralisation similar to that revealed in Minotaur's 2014 RC drilling beneath and along strike from the historic workings of the Mingary Mine¹ (Figure 1).

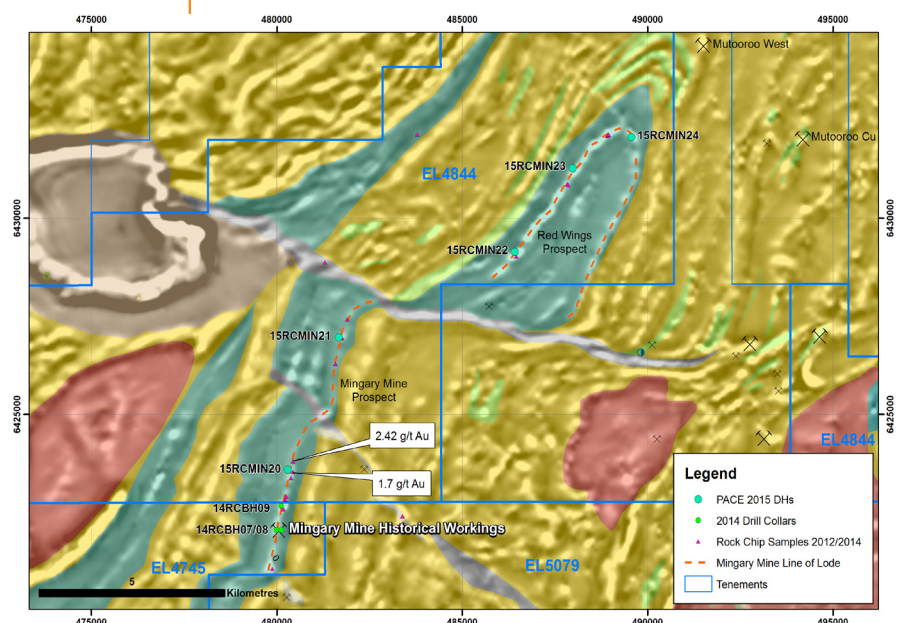


Figure 1: Proposed PACE funded RC drillholes along the interpreted Mingary lode horizon relative to 2014 RC drilling and rock chip samples (interpreted Geology overlay – Green = Broken Hill Group, Yellow = Thackaringa Group, Red = Alma Gneiss equivalent, Pale Green = Amphibolite, Pale Grey = Retrograde Shearzones, Pale Brown = Adelaidean Sediments)

¹ Refer release to ASX Significant Gold intersections from inaugural Mingary (SA) drilling, 22 May 2014

Outcrop of garnet sandstone and the presence of blue quartz gneiss and quartz-gahnite rock observed in petrological samples of 2014 RC chips are all key indicators that the Mingary lode represents a Broken Hill type (BHT) system. As the metal association for the Mingary lode horizon is Cu-Au-Ag rather than the traditional Pb-Zn-Ag it is postulated this may be an exciting new style of BHT mineralisation.

2014 RC drilling also revealed that the mineralised interval of the Mingary lode is weakly to moderately magnetic due to pyrrhotite and magnetite allowing correlation of this horizon with a linear airborne magnetic anomaly (Figure 1).

Rock chips from the lode horizon approximately 850m north of the 2014 RC drilling revealed highly anomalous Au values up to 2.42 g/t Au indicating that mineralisation continues for at least 1500m (Figures 1 and 2).

Further north, at Red Wings prospect (Figure 1), historic rock chip samples by Seltrust in the 1970's returned highly anomalous Cu from subcrop, interpreted as being correlated to the Mingary lode. These samples, as with their drilling, were not analysed for Au but highlight the presence of mineralisation 8km from the Mingary mine.

Historic regional IP by Broken Hill South showed the lode horizon is chargeable at the Mingary Mine. Similar IP chargeability anomalies at the Red Wings prospect support its correlation with the Mingary Mine. Drill testing of the interpreted northern extension of the Mingary horizon will allow correlation of the unit along strike and between structural blocks for a potential total strike length of up to 12kms.

The drill campaign is expected to be completed within 3 weeks.

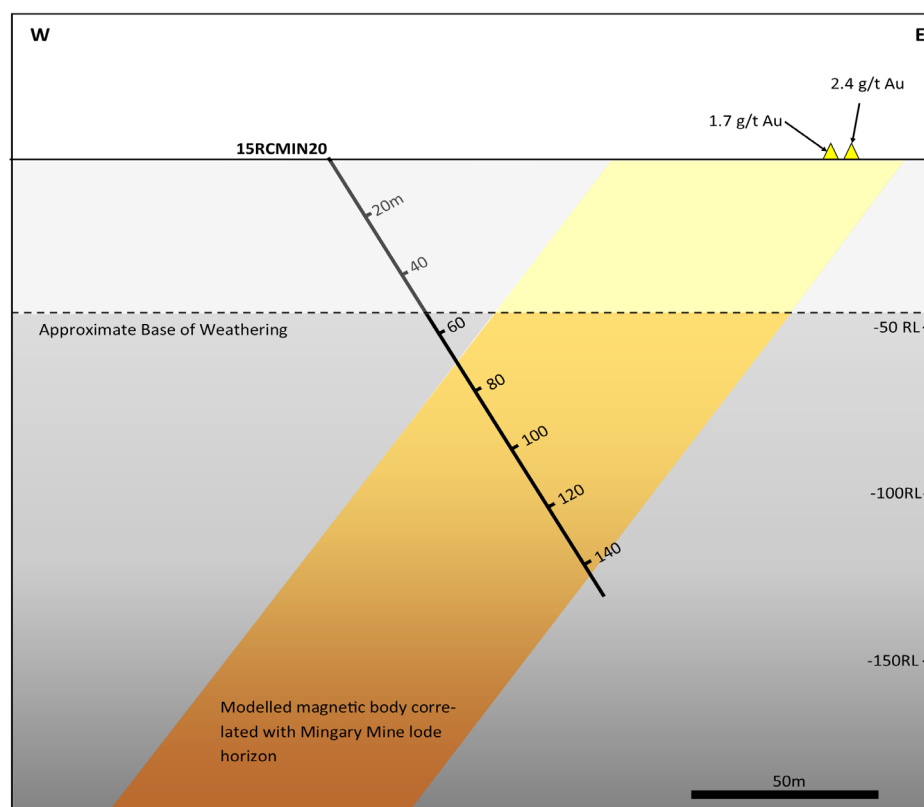


Figure 2: Planned drillhole 15RCMIN20 to test modelled ground magnetic body correlated with Mingary lode horizon and associated surface rock chip samples (Note: position of rock chip samples is approximate as they are projected onto the section)

Background

The historic Mingary Mine is located in the northern part of Minotaur/Sumitomo's 'Bonython Hill' EL 4745, approximately 75km southwest of Broken Hill, with the interpreted Mingary horizon continuing northward into Minotaur/Sumitomo's 'Mingary' EL4844. Historic workings are located on secondary copper mineralisation associated with a distinctive ferruginous quartz horizon thought to represent a tectonised, recrystallised quartzite/sandstone unit or metaexhalite horizon.

Exploration drilling in the 1970's was limited to 5 shallow RC holes focused on testing the lode horizon for base metals mineralisation. Those holes were all to the north of the old workings and were not assayed for gold.

Assays from Minotaur's 2 RC holes at Mingary Mine returned significant gold values over 600m strike (MEP: ASX Release May 2014):

- 14RCBH07: 16m @ 1.07 g/t Au, 0.26% Cu from 80m
- 14RCBH09: 16m @ 0.66 g/t Au, 0.38% Cu from 104m

Hole 14RCBH07 intersected the tectonised, sulphide-bearing quartzite lode between 82 and 98m (downhole depths) within a sequence of Palaeoproterozoic gneisses. The sulphide-rich lode contained abundant pyrite, pyrrhotite and chalcopyrite and dips steeply to the west.

Drillhole 14RCBH09 was collared approximately 600m north along strike from the old mine workings. It intersected similar lithologies to those in hole 14RCBH07, including the lode horizon between 92 and 129m downhole.

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 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.

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