

Sunday 14<sup>th</sup> August, 2016

### Chameleon Deposit JORC Resource - Portfolio Stock (coverage initiated @ \$0.06 in Sep 2015)

**Minotaur Exploration (ASX: MEP, Share Price: \$0.07, Market Cap: \$15m)** is one of our most respected exploration plays – maintaining a strong and diverse portfolio of exploration projects, a well-credentialed exploration team, together with solid cash reserves and high-profile joint venture partners that ensure a high-level of exploration activity. It also maintains Sprott Group as a 12.63% shareholder.

*As a follow-up to our previous coverage where we highlighted encouraging assay results from infill drilling at its Chameleon gold deposit near Kalgoorlie (including 11m @ 4.6 g/t Au and 5m @ 4.4 g/t Au) with mineralisation open down-plunge, Minotaur has recently announced an initial JORC-compliant Resource.*



### Market Significance

Minotaur's share price performance over recent months has been driven by activity revolving around its Chameleon gold deposit in WA, at one stage hitting a 12-month high of \$0.093 in mid June on the back of robust drilling results that demonstrated high grades. The company's share price has since received another shot in the arm with the release of an initial JORC Resource estimate at Chameleon. It is just one of three key exploration programs currently being undertaken, with the others involving drill-testing of targets at Eloise in Queensland and Prominent Hill in South Australia.

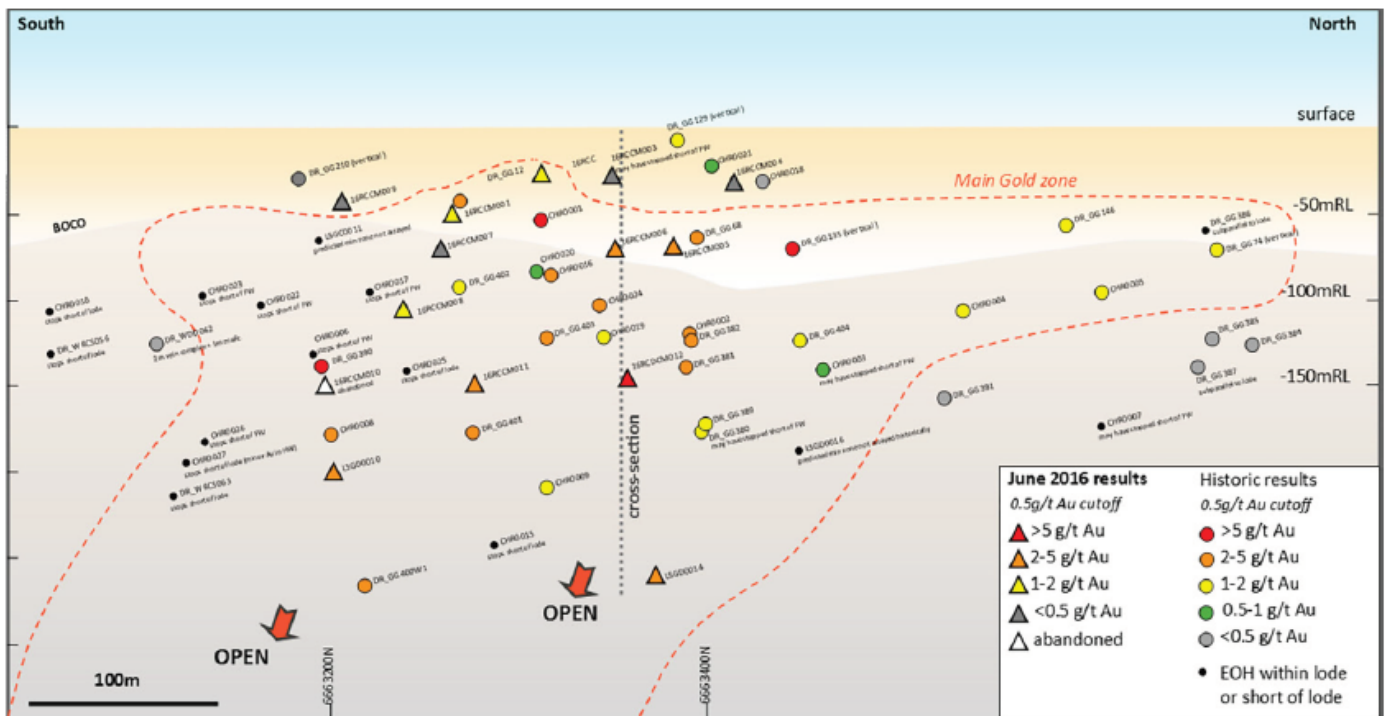
## Announcement Detail – Chameleon Project Update

In our previous coverage we'd highlighted the company's recent positive drilling results at its Chameleon gold deposit in Western Australia. Importantly, these results have since flowed through into a just-released maiden JORC 2012-compliant Mineral Resource estimate, comprising a Total Inferred Mineral Resource of 1.1 million tonnes at 2.1 g/t for 77,000 ounces of gold (1g/t Au cut-off).

Type	Inferred		
	Tonnes Mt	Au g/t	Au Ounces
Oxide	0.1	2.9	12,000
Transitional	0.1	2.1	8,000
Fresh	0.9	2.0	56,000
<b>Total</b>	<b>1.1</b>	<b>2.1</b>	<b>77,000</b>

**Table 1:** Inferred Mineral Resource estimated tonnes, grade and contained ounces as at 29th July 2016

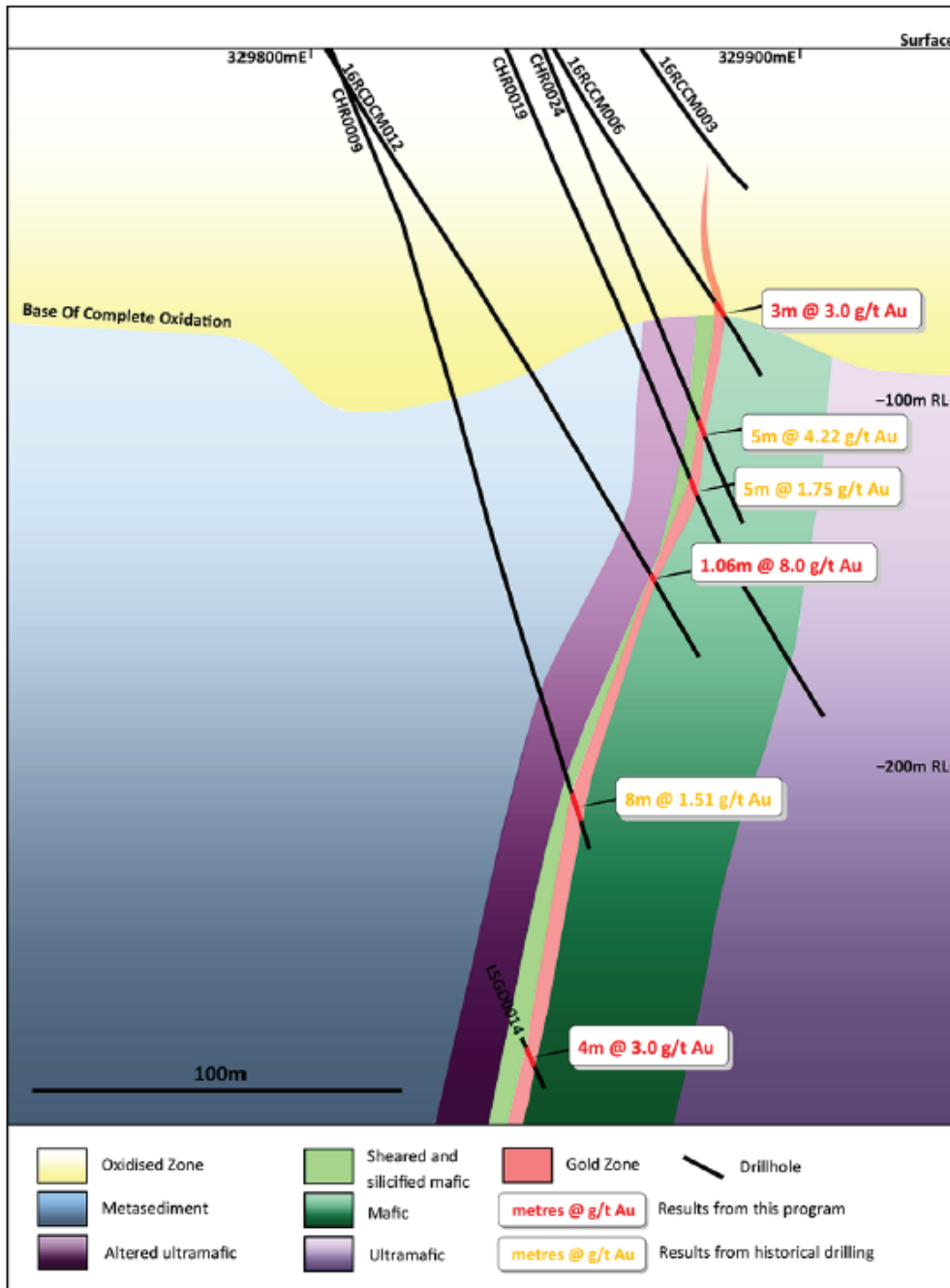
The Resource reports a set of oxidized lodes extending from surface, transitioning at 80-100 metres vertical depth to primary mineralization modelled to 290 metres below surface.



**Figure 1:** Long-section (looking west) through Chameleon gold deposit showing lode drill pierce points and average gold grades. Note - selected historic holes are projected onto the modelled lode position as they terminated just short of the lode.

## Technical Significance

Gold mineralisation is typical of many Archean gold deposits in Western Australia and at Chameleon gold primarily occurs within a steeply dipping shear zone between ultramafic and mafic volcanic units hosting quartz veining and silicification). Chameleon is hosted within a package of ultramafic, mafic volcanics and metasediments.



The Chameleon Mineral Resource area extends over a WNW strike length of 625 metres and includes 290 metres of vertical extent from 380mRL to 90mRL. A strongly weathered oxide zone is developed, where gold appears relatively depleted in the top 30-metre horizon. Gold occurs at the base of this depletion zone that appears supergene in character and is interpreted to have formed flat-lying blankets in some areas above and slightly lateral west of the main gold zone.

Below this, gold is constrained to two main lodes - with a thicker lode occurring in the southern portion of the resource and two thinner lodes occupying the northern portion of the resource. Oxidation depths, varying from 40m- 80

metres, pass into a transitional zone down to 100 metres with fresh material from there to 290 metres; the base of resource model.

*Importantly, the mineralisation remains open down-plunge, whilst additional partially-explored gold occurrences are situated nearby.*

It's fair to say that Minotaur would be pleased with the outcome of its work so far to try and put some context around the Chameleon deposit. The deposit has long been under-appreciated and inadequately understood, despite many exploration campaigns over the past 19 years.

The maiden JORC 2012 Mineral Resource establishes Chameleon as a modest gold deposit that remains open down-plunge, suggesting scope for additional gold ounces. Known, but relatively under-explored, gold occurrences nearby could have potential for deposit clusters around Chameleon.

Minotaur will consider a multitude of options with respect to its strategy at Chameleon. For starters, it could consider an outright sale for cash and/or shares. Secondly, it could implement further resource drilling to expand the existing resource base, or it could consider development (or co-development) via a toll-treatment arrangement.

My personal view is that Chameleon justifies further exploration work, as I believe potential Resource ounces could be added relatively quickly and at a low cost per-ounce, providing Minotaur with even more flexibility in terms of a strategic decision on its future project options.

### **Project Overview**

The Chameleon deposit is situated within E29/661, which forms part of the Scotia group of tenements held by Minotaur Gold Solutions Ltd (MinAuSol), a controlled subsidiary of Minotaur Exploration (73%, GFR 27% and diluting). It lies 70km north-northwest of Kalgoorlie and 7km east of the Goldfields Highway and within 20km of the goldfields gas pipeline to Kalgoorlie.

Chameleon was identified as a gold prospect in 1997 and subsequent exploration programs by a number of operators established the presence of high-grade gold lodes at Chameleon, extending from near-surface to about 290 metres depth within a steeply-dipping, narrow-but-coherent zone of gold mineralisation. Minotaur conducted a limited RC program during June 2016 to verify historic data and improve understanding of the deposit.

### **Summary**

**We initially covered Minotaur Exploration at a price around \$0.06 during September 2015 - representing a current gain of 17%.**

**The company is a well-credentialed explorer with an extensive Queensland exploration portfolio, along with acreage in Western Australia and South Australia. Whilst maintaining 100% ownership of a large chunk of its acreage, it also maintains important relationships and joint ventures with high-quality partners, including OZ Minerals. The maiden JORC resource at Chameleon is a great starting point. Over the next month attention will shift to its Eloise project in Queensland, along with its Prominent Hill JV in South Australia with OZ Minerals. The cornerstone support of Sprott Group with a 12.63% stake also represents a strong endorsement of Minotaur's strategy and overall prospects. Accordingly, Minotaur Exploration will remain firmly held within our Portfolio.**

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