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OZ Minerals in new A\$10M deal with Minotaur over high grade Queensland copper-gold project at Cloncurry

Major Australian copper producer, OZ Minerals Limited (ASX: OZL), is to inject up to A\$10M in exploration funding into a high grade Queensland copper-gold project owned by South Australia's Minotaur Exploration Limited (ASX: MEP).

The farm-in agreement will introduce OZ Minerals to the prolific Mt Isa copper belt and deliver Minotaur the benefit of a substantial on-ground spend over the next six years at its Eloise project, located southeast of Cloncurry.

OZ Minerals will sole fund an initial A\$1.5M in exploration over 2016. The agreement provides OZ Minerals the option to earn a 70% interest in the project by investing a total of A\$10M over the 6 year term.

The Eloise project includes Minotaur's flagship Artemis polymetallic discovery, which led to Minotaur being named Queensland Explorer of the Year in 2014.

This agreement is the second major partnership announced between OZ Minerals and Minotaur in the past two months, the first being an exploration joint venture around OZ Minerals' Prominent Hill copper mine.

Minotaur Managing Director, Mr Andrew Woskett, said today Minotaur's increasing success with its exploration modelling, including high end geophysics, was now attracting interest and partnering support from major greenfields and brownfields project owners alike.

"Minotaur is delighted to again partner with OZ Minerals, a pre-eminent Australian copper miner and significant Minotaur shareholder," Mr Woskett said.

"Through our combined technical expertise and depth of experience, the probability of discovery success will be greatly enhanced."

MEDIA Release



"We look forward to activating drilling at several exciting copper-gold targets Minotaur has recently modelled¹ near the Artemis polymetallic discovery at Eloise."

Eloise farm-in terms

The agreement requires OZ Minerals to invest a minimum of A\$1.5M in 2016, which is intended to primarily fund drilling at the Eloise project.

OZ Minerals, at its election, can also invest a further A\$3.5M into the Eloise project over the two subsequent years. When OZ Minerals has invested at least A\$5M into the project it will have earned an initial 51% interest in the tenements and the proposed joint venture.

Minotaur will manage and operate the joint venture until OZ Minerals acquires 51% project interest. OZ Minerals can then invest a further A\$5M to earn up to 70% interest over the next 3 years.

An exploration committee will be formed in order to approve a work program for implementation in early 2016, following north Queensland's wet season.

Extension of Entitlement Offer closing date

As announced on 15 December 2015, Minotaur has extended the closing date for its Entitlement Offer to 5.00pm AEDT, 24 December 2015 (from 5.00pm, 18 December 2015 previously). The extension provides shareholders with ample time to assess this materially positive operational update.

The Entitlement Offer provides eligible shareholders the opportunity to purchase one (1) New Share in Minotaur at A\$0.07 for every ten (10) shares currently held. Each New Share purchased comes with one (1) Attaching Option at no additional cost. The Attaching Options have a A\$0.095 exercise price and a 30 November 2017 expiry. See the Entitlement Offer Prospectus, released 30 November 2015, for further details.

¹ For discussion refer to Minotaur release to ASX dated 2 December 2015, *IP Surveys extend targets at Eloise Copper Project*

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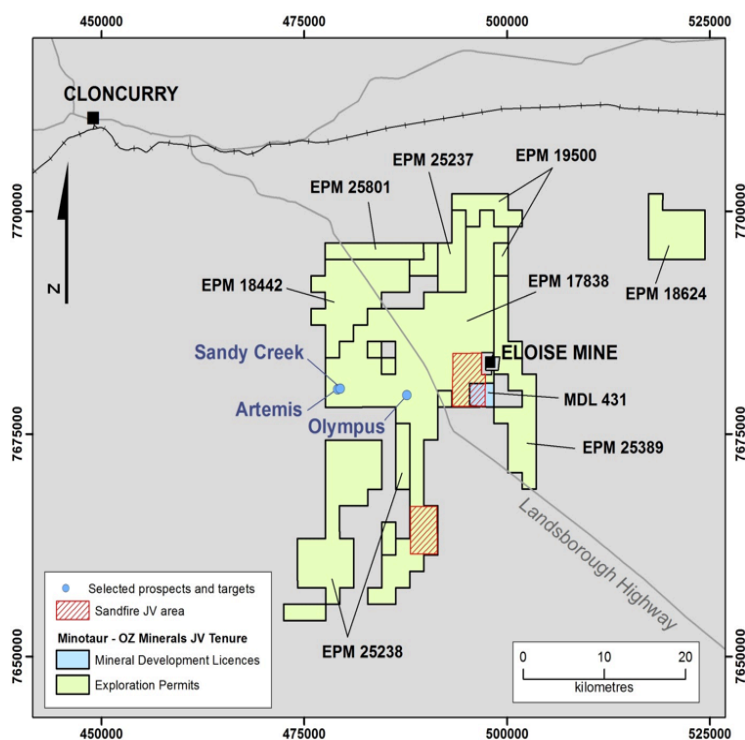


Figure 1: Minotaur's Eloise tenements comprising the farm-in (Agreement) between Minotaur Exploration and OZ Minerals, with selected targets identified. Those parts of MDL431 and EPM 17838 subject to the Altia joint venture with Sandfire Resources Ltd (ASX: SFR) are specifically excluded from the OZ Minerals' Agreement

Kevin Skinner
Field Public Relations
T +61 8 8234 9555

Andrew Woskett
Managing Director
Minotaur Exploration Ltd
T +61 8 8132 3400

www.minotaurexploration.com.au