

14 May 2019

ASX Release

OZ Minerals to 'loan carry' Minotaur through to commercial production from Jericho copper deposit

Highlights

- OZ Minerals to 'loan carry' Minotaur's funding share of Jericho from 1 April 2019 through exploration, feasibility and to commercial production
- Loan carry arrangement covers all drilling, scoping, feasibility studies, mine development and construction funding
- Loan is repayable only from a proportion of future positive cash flow from Jericho
- OZ Minerals' interest in Jericho increased from 70% to 80% in exchange for the loan carry
- Minotaur avoids dilutive capital raisings to meet its share of funding for Jericho
- Agreement optimises Minotaur's exposure to Jericho while negating risks, ultimately maximising shareholder value

New Jericho Joint Venture

At the end of March 2019, OZ Minerals Limited (ASX: OZL, OZ Minerals) through investment of A\$10 million attained 70% beneficial interest in the Eloise Joint Venture ("Eloise JV") tenements, which contains the Jericho deposit. OZ Minerals and Minotaur Exploration Limited (ASX: MEP, Minotaur) have agreed to structure a new, additional joint venture ("Jericho Joint Venture") specifically for the Jericho project, the area of which (Figure 1) is excised from the current Eloise JV area. The new arrangement provides for Minotaur to be 'loan carried' for all further work in relation to Jericho until the project is developed and in commercial production.

In return, OZ Minerals' beneficial ownership of the Jericho Joint Venture is increased from 70% to 80% (Minotaur 20%), effective 1 April 2019. From that date, loan amounts advanced by OZ Minerals will be non-recourse and repayable only if positive cash flow emanates from production at Jericho.

Minotaur will thus carry no pressing financial burden during the pre-operation phases comprising: resource definition; scoping; permitting; financing; developing; and mining of Jericho, such amounts presently indeterminate but potentially amounting to many millions of dollars. Minotaur's loan balance is only to be repaid from 70% of Minotaur's share of positive mine cash flow with interest accruing at an attractive rate.

Minotaur and OZ Minerals signed a binding term sheet setting out formulation of the Jericho Joint Venture, to be converted into a full form definitive agreement over the course of the next 60 days.

Drilling Underway

Drilling at Jericho re-commenced¹ in April 2019 with the objective being to define a maiden JORC resource from the central zone. Minotaur's 20% share has started accruing under the loan funding structure. OZ Minerals appointed Minotaur manager and operator of the Jericho work programme.

Minotaur Comment

Andrew Woskett, Managing Director of Minotaur Exploration, stated: "I am delighted to announce the new Jericho Joint Venture with OZ Minerals. Minotaur's Board considers the loan carry arrangement over the Jericho project is, at this early pre-resource stage, a highly attractive route for the Company as Minotaur is relieved of all expenditure for its share of Jericho from now until mine cash flow eventuates. Moreover, Minotaur avoids highly dilutive equity funding to finance its share of the project.

This new joint venture underscores the strong relationship created between the two companies in pursuit of base metal discoveries since 2016.

OZ Minerals has a demonstrated track record in both developing and executing large underground copper mines and has a proven inclination to progress attractive projects aggressively.

Minotaur's Directors welcome OZ Minerals' expression of faith in the potential of the Jericho discovery and its tangible support for Minotaur as a respected partner."

Update on the Eloise Joint Venture

With Jericho excised from the Eloise JV, OZ Minerals and Minotaur are re-structuring that joint venture (excluding Jericho) and will provide separate detail on this important development.

¹ Refer MEP report to ASX, *Drilling resumes at Jericho Copper discovery*, dated 4 April 2019

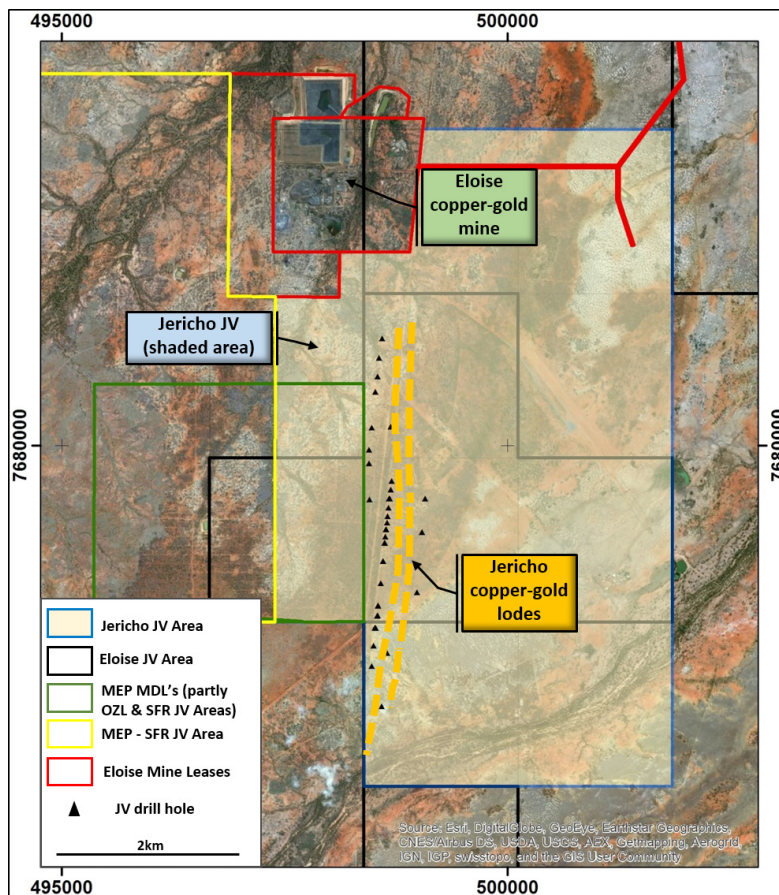


Figure 1: Jericho Joint Venture Area

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.

Andrew Woskett

Managing Director

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