



MINOTAUR EXPLORATION LIMITED
ACN 108 483 601
ASX: MEP

MINOTAUR
EXPLORATION

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ASX Release

OZ Minerals and Minotaur form Cloncurry Regional Alliance

Highlights

- OZ Minerals and Minotaur agree terms to form an exclusive strategic Alliance over the Cloncurry district, Qld
- OZ Minerals to fund A\$1 million for Minotaur's project generation work
- OZ Minerals to sole fund accepted projects to A\$4 million each
- Minotaur to be rewarded upon milestone events per project
- Minotaur's regional activity level can expand without dilution to Minotaur shareholders

Minotaur Exploration Limited (ASX: MEP, Minotaur) is pleased to announce signing of a binding term sheet for a strategic alliance with OZ Minerals Limited (ASX: OZL, OZ Minerals) over the Cloncurry region of north-west Queensland ("Cloncurry Alliance"). This significant development is complementary to Minotaur's recent announcement¹ concerning OZ Minerals' additional expenditure commitment for the Eloise Joint Venture between the parties.

The Cloncurry Alliance will be established 70% OZ Minerals and 30% Minotaur and provides for the parties to work exclusively with each other for prospect identification and acquisition around the Cloncurry district.

To initiate the Alliance OZ Minerals will fund Minotaur's prospect research and project generation activity to A\$1 million over 2 years.

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

Project Funding

Each separate project presented by Minotaur and accepted by OZ Minerals will be sole funded by OZ Minerals up to A\$4 million over 3 years and project share will be held at 70% OZ Minerals and 30% Minotaur. Minotaur may elect to convert its interest in a particular project to a 20% 'loan carry' interest (on similar terms as the Jericho Joint Venture²) through to project commercial production and cash flow. Loan amounts and interest accrued will only be paid from cash flow from the relevant project.

¹ MEP report to ASX, *OZ Minerals' Eloise JV earn-in raised to A\$13 million*, 14 May 2019

² MEP report to ASX, *OZ Minerals to 'loan carry' Minotaur through to commercial production from Jericho copper deposit*, 14 May 2019

Milestone Payments

Where OZ Minerals elects to participate in a particular project proposed by Minotaur OZ Minerals will reward Minotaur as follows:

- A\$300,000 for acceptance
- A\$1 million upon determination of a positive Scoping Study
- A\$2 million upon determination of a positive Pre-Feasibility Study

Minotaur Comments

The Cloncurry region is well recognised as a prolific source of mineral deposits. Minotaur has operated exploration programs in the region since 2010 and has acquired valuable geoscientific insights to controls on and types of base metal mineralising systems. The absence of any notable copper discoveries in the past two decades is due primarily to lack of surface exposure of mineralised basement host rocks. Minotaur's recent experience around the Eloise mine shows that exploring under cover can locate previously unknown mineralised systems such as the Jericho copper project.

The Cloncurry Alliance recognises Minotaur's regional expertise and builds on a healthy working relationship with OZ Minerals nurtured through the Eloise JV. Minotaur is pleased to have secured OZ Minerals' financial support and encouragement to expand the search for new deposits and opportunities beyond the Eloise JV.

That support means Minotaur's Cloncurry area activity level can be scaled up without distress to shareholder equity and, potentially, for significant shareholder benefits into the future.

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