



MINOTAUR EXPLORATION LIMITED
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MINOTAUR
EXPLORATION

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ASX Release

Cloncurry Alliance establishes exploration JV with Sandfire Resources

Minotaur Exploration and OZ Minerals' (ASX: OZL) Cloncurry Alliance has established a joint venture heads of agreement with Sandfire Resources Ltd (ASX: SFR, Sandfire) over an extensive Sandfire tenement group near Cloncurry, Queensland.

The Cloncurry Alliance¹ (Alliance) is a strategic collaboration arrangement seeking Cloncurry regional opportunities conducive to the creation of a minerals 'hub' leveraging other assets held in joint venture between the Alliance parties. Those include the Eloise JV and the Jericho JV.

The new 'Breena Plains Joint Venture' with Sandfire provides significant impetus to the hub concept. It incorporates some 1226km² of tenure immediately surrounding the existing JV assets (Figure 1), prospective for Cannington style and Eloise style polymetallic base metals mineral systems.

JV Terms

The Breena Plains JV requires the Alliance to invest \$1 million in exploration in the first year. Thereafter the Alliance may earn an initial 51% tenement interest by sole funding a further \$3 million through the next 2-year period. The Alliance may then earn an additional 24% interest for the further expenditure of \$4 million over the subsequent 2 years. Thus, to attain its maximum interest of 75% over 5 years the Alliance must invest \$8 million.

Target Generation

Minotaur, through interrogation of Sandfire's database, has identified a number of priority areas for initial investigation with planning underway for fieldwork upon cessation of the northern Australia monsoon season.

Minotaur Comments

Managing Director Andrew Woskett stated "Sandfire and OZ Minerals have been most cooperative in aligning with Minotaur in this tri-partite transaction as all parties see blue sky opportunity from a collaborative regional exploration approach in the vicinity of known mineralisation systems such as Eloise, Jericho, Altia and Maronan".

Said Business Development and Exploration Manager, Glen Little, "Minotaur has progressively honed its investigative approach around Cloncurry over the past decade. With OZ Minerals' ongoing exploration funding support, we expect the Breena Plains package will deliver the Alliance a library of prospecting options."

¹ Minotaur Exploration Ltd report to ASX, *Minotaur and OZ Minerals formalise three Cloncurry joint ventures*, dated 6 September 2019

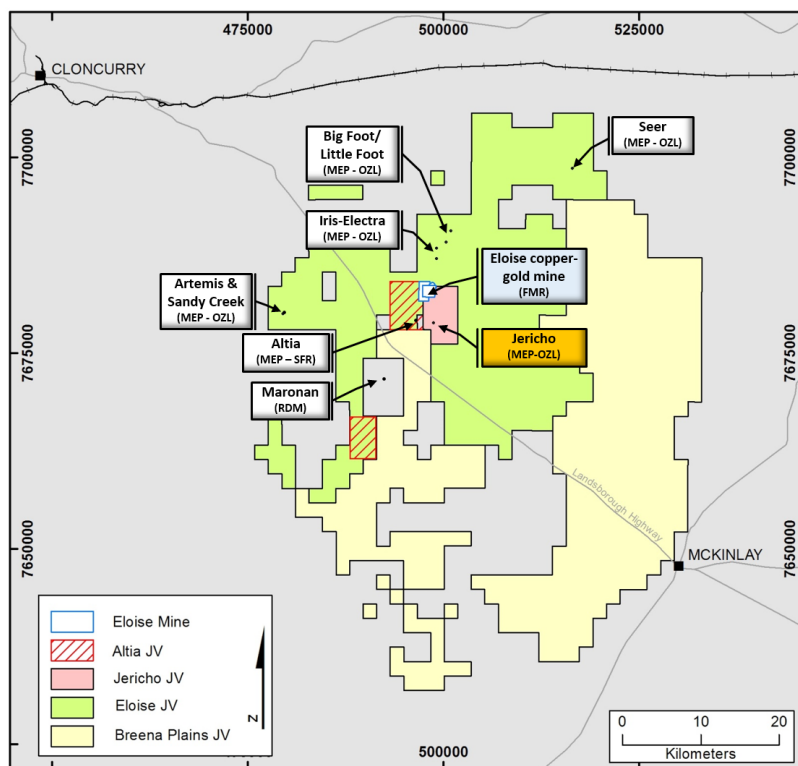


Figure 1: Breena Plains JV tenement group proximal to Eloise JV and Jericho JV tenure

Alliance Funding Arrangements

For securing the Breena Plains JV Minotaur is to receive a success payment of \$225,000 from OZ Minerals.

OZ Minerals will contribute all required exploration funding up to \$4 million over 3 years which will entitle the Alliance to a 51% interest in the project (OZ Minerals 36% and Minotaur 15%).

Subsequently, the Alliance may contribute \$4 million on a 70/30 basis over 2 years to achieve a 75% interest in the project (OZ Minerals 52.5% and Minotaur 22.5%, remainder held by Sandfire) or Minotaur may elect to dilute its share to 20% and convert to a 'loan carry' arrangement similar to that in place for the Jericho JV.

This announcement is authorised by Mr Andrew Woskett, Managing Director, Minotaur Exploration Ltd.

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