



MINOTAUR
EXPLORATION

MINOTAUR EXPLORATION LIMITED
ACN 108 483 601
ASX: MEP

24 August 2021

ASX Release



Minotaur acquires full ownership of Altia polymetallic project

Key points

- Minotaur acquires Sandfire's interest to hold 100% of Altia lead-silver deposit
- and acquires Sandfire's regional tenement package, including Breena Plains
- OZ Minerals continues to fund EM surveys on Breena Plains tenement

Minotaur Exploration (ASX: MEP) and Sandfire Resources Ltd (ASX: SFR) agreed to assign full ownership, to Minotaur, of the Altia polymetallic deposit near Cloncurry, Queensland (Figure 1). Currently, Altia is held in joint venture SFR/MEP in the proportions 60/40.

Additionally, Minotaur is to purchase 100% interest in Sandfire's Breena Plains tenements proximal to Altia (and the Jericho and Eloise copper-gold deposits, Figure 1) plus Sandfire's Cannington tenements near Cannington Ag-Pb-Zn mine (Figure 2). The Breena Plains tenements are the subject of an option earn-in arrangement between SFR and OZ Minerals-Minotaur. Work under the option minimum expenditure commitment, being funded by OZ Minerals, is due to complete at the end of August 2021.

Purchase Rationale

The transaction will result in Altia becoming 100% owned by Minotaur. Altia is a significant base metals resource¹ sited 4km south-west of the operating Eloise copper-gold mine. The Altia Inferred resource inventory is 5.8Mt @ 4% Pb, 0.5% Zn and 40g/t Ag within granted mineral development licences (MDL's). Minotaur considers Altia a strategic asset, well located 3km west of the Jericho copper-gold project (a joint venture between OZL/MEP in the proportions 80/20).

Sandfire's extant tenement group surrounding Altia supplements the purchase. Geology of the area hosts multiple base metal mineralisation styles in both outcropping and under-cover terrain. The tenement group surrounding the giant Cannington Ag-Pb-Zn deposit and similar smaller, but significant, mineral systems at Pegmont, Cowie and Marramungie, provide local opportunities for base metals discoveries.

Minotaur's experience across the Cloncurry region since mid-2000 suggests discovery potential remains strong across the collective group of tenements being acquired. Minotaur is actively assessing other avenues to solidify its presence in the Altia locality. Acquisition of Sandfire's wider tenure delivers a ~2,100km² footprint for a modest \$3 million investment in cash and shares.

1 Refer Breakaway Resources Ltd ASX report *Sandfire commences drilling at Altia JV*, dated 22 July 2013 in which Breakaway re-stated Snowden's 2004 JORC report dated November 2007 and published on the ASX on 03 January 2008. Minotaur understands the data comprising the resource estimate has not materially altered and remains valid

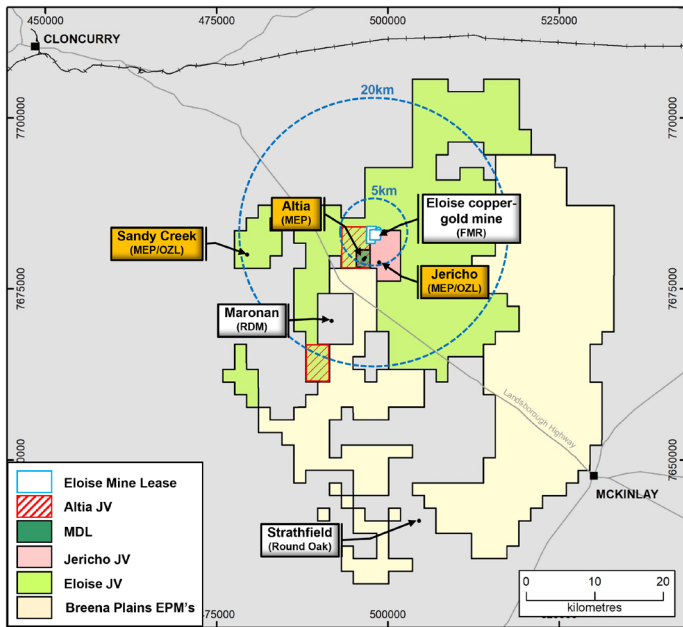


Figure 1: Tenement Map showing Breena Plains, Altia, Eloise and Jericho JV areas with significant deposits

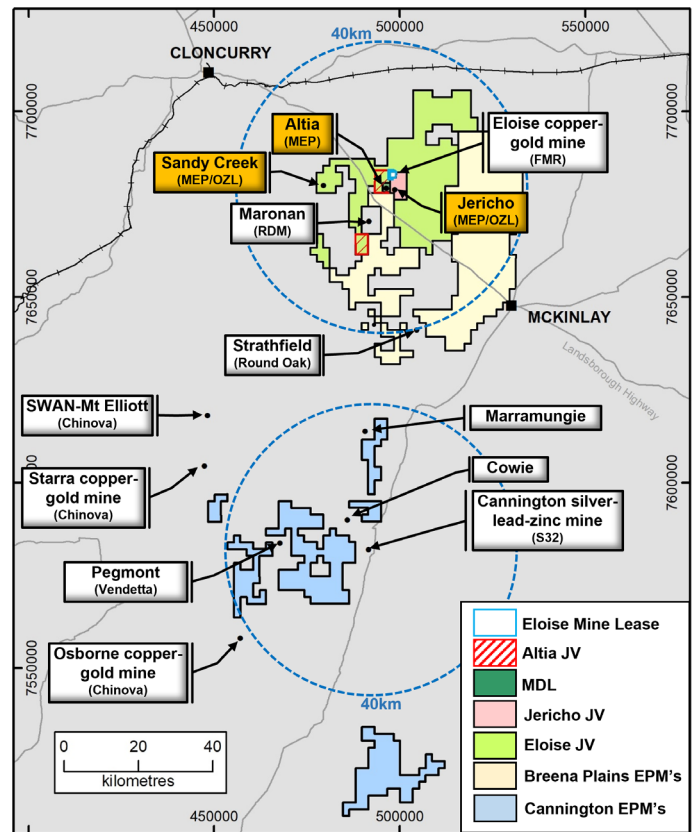


Figure 2: Tenement Map showing Breena Plains, Altia, Eloise and Jericho JV areas and Cannington project EPM's with significant deposits

Altia Lead-Silver Deposit

The Altia deposit is one of a group of Cannington-style lead-silver-zinc deposits in the district, including the world-class Cannington mine and Maronan, Pegmont, Cowie and Marramungie deposits (Figure 2). Pegmont and Maronan have published JORC resources.

Altia lies within MDL432 and part of MDL431, covering 46.5km² (Appendix 1). The Altia mineral system has ~1.2km of strike and extends to vertical depth of 800m. The published resource covers around 550m of strike where most is constrained to 200m vertical interval below top of basement. Mineralisation occurs within several parallel banded iron formations (BIF's) with Lens 1 (upper) and Lens 2 (lower) hosting most of the deposit (Figure 3).

A JORC 2004 initial resource estimate was published in July 2007 by Breakaway Resources Ltd and restated in July 2013 under the Breakaway-Sandfire Altia JV. Sandfire completed ~5,500m of drilling in and around the deposit (2012 and 2014) and conducted conceptual mining studies, achieving 60% beneficial interest in the project. Ultimately, Sandfire concluded the project does not align with its corporate objectives.

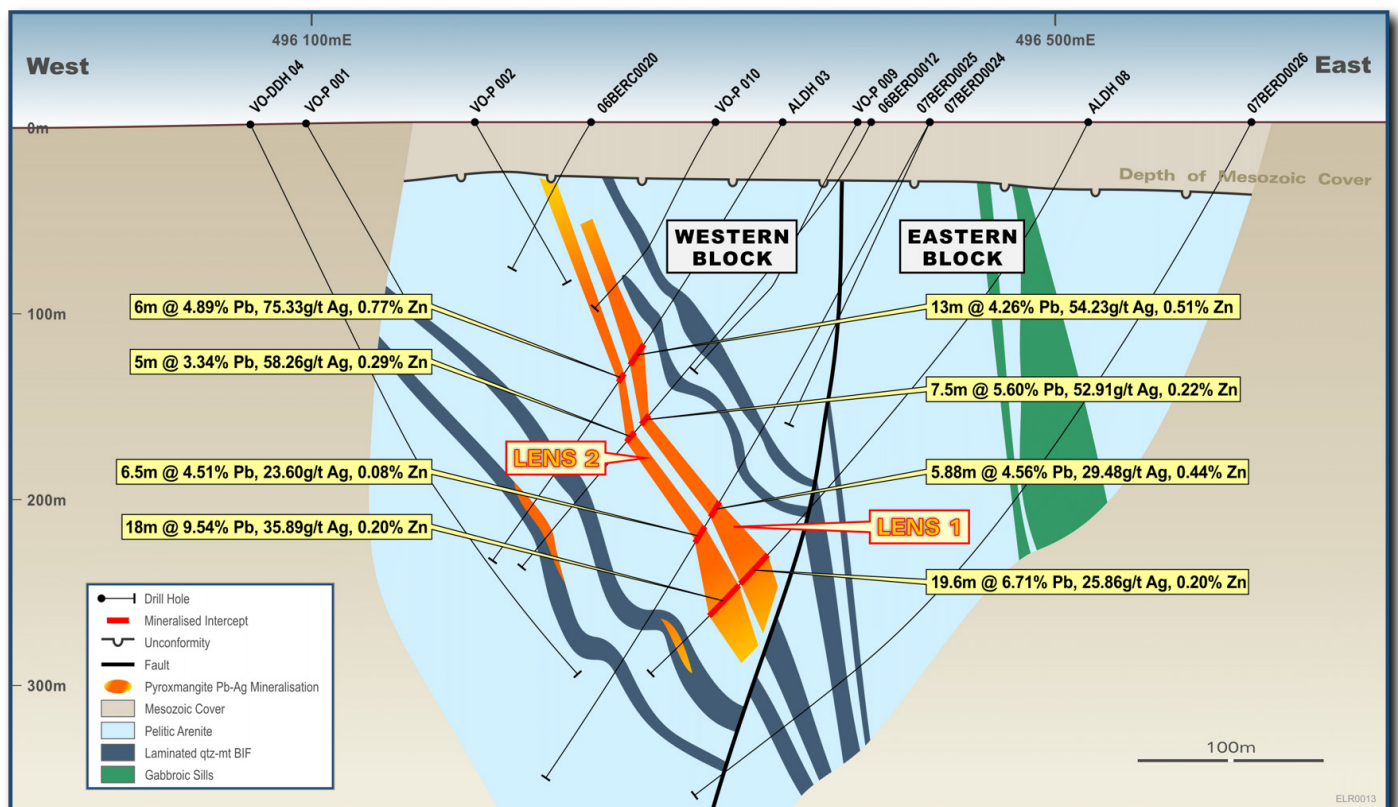


Figure 3: Altia deposit cross-section 7,679,000N

Transaction Details

The Altia joint venture will be terminated, ceding Minotaur 100% control of the Altia and Sandfire tenure, for the following agreed payments:

- Cash deposit: A\$100,000 payable on signing
- Deferred Cash: A\$200,000 payable on conversion of the Consideration Options
- Shares: 18 million new Minotaur shares payable on completion
- Consideration Options: 1 million new Minotaur shares issued at A\$0.20 expiring March 2024
- Deferred Shares: 9 million new Minotaur shares issued 24 months after completion
- Royalty: 1% NSR over all tenements

The structure represents a nominal A\$3 million acquisition value at Minotaur's current share price of A\$0.10.

Management Comment

Minotaur's managing director, Andrew Woskett, said "Minotaur continues to hold a strong view that the geology around the Altia and Jericho deposits offers discovery potential, especially where basement is obscured by younger cover. Bringing 100% of Altia into Minotaur's portfolio contributes a drill defined resource, which Minotaur may seek to improve, to the portfolio.

Minotaur's Cash Position

At 30 June Minotaur held \$5.1m cash and forecast cash availability sufficient for the next 3.6 Quarters, that not including the transactional obligations shown above.

Authorisation

This report is authorised by Mr Andrew Woskett, Managing Director of Minotaur Exploration Ltd. For further information please contact Mr Glen Little, Manager Business Development and Exploration on 0428 001 277.



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COMPETENT PERSON'S STATEMENT

Information in this report that relates to Exploration Results is based on information compiled by Mr. Glen Little, 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.

Information in this report that relates to Mineral Resources for Altia is extracted from Breakaway Resources' report entitled Sandfire commences drilling at Altia JV lodged with the ASX and dated 22 July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

APPENDIX 1 – RELEVANT TENEMENTS

ALTIA JOINT VENTURE		
SFR 60% MEP 40%		
Tenement Number	Tenement Name	Tenement Area
MDL432	Route 66	5.3
MDL431	Eloise	0.2
EPM17838 (in part)	Levuka	41
JV area returned to Minotaur		46.5km²
BREENA PLAINS		
In which OZL and MEP may collectively earn up to 75% interest		
Tenement Number	Tenement Name	Tenement Area (km ²)
EPM25897	Breena Plains West	132
EPM25920	Kevin Downs Amalg	267.3
EPM25921	Breena Plains North Amalg	248
EPM25922	Breena Plains North Amalg	241.5
EPM25950	Altia South 2	148.1
EPM26184	Bluff Creek	48.3
EPM26447	Garnet Creek	83.7
EPM26508	Maronan South	22.5
EPM26572	Taltal	45
Earn-in JV area acquired by Minotaur		1236.4km²
CANNINGTON AREA		
Tenement Number	Tenement Name	Tenement Area (km ²)
EPM19542	Wilgunya	247.9
EPM25782	Black Rock	64.4
EPM25854	Cannington	318.8
EPM26361	Pegmont East	22.5
EPM26456	Anitra	35.4
EPM26698	White Tank	35.4
EPM26537	Glenholme	32.2
EPM27056	Spell Paddock	51.5
Area acquired by Minotaur		808.1km²