

ASX Release



OZ Minerals and Minotaur collaborate on SA copper search

- Minotaur and OZ Minerals are to co-explore for copper in its tenements around the Prominent Hill mine
- The agreement brings Minotaur back in to the Mt Woods area of the Gawler Craton, it's origins

Collaboration Agreement for the Mt Woods area

In the decade since discovery of Prominent Hill by Minotaur Resources (ASX: MNR [delisted]; an antecedent of Minotaur Exploration, ASX: MEP) and transfer of ownership to Oxiana Limited (now OZ Minerals Ltd, ASX: OZL) OZ Minerals has carried out extensive greenfields exploration work in the region around the Prominent Hill mine camp. A vast library of exploration knowledge has been acquired over the period, comprising geophysical data, geochemistry, drill logs, drill core etc.

That work has resulted in numerous notable discoveries and OZ Minerals believes scope exists for the database to reveal further opportunities. Given its resources are currently directed towards identifying and acquiring advanced mineral assets OZ Minerals invited Minotaur Exploration to partner with it in an endeavour to identify,

assess and test prospects which could lead to new copper discoveries.

The companies have entered into a binding collaboration agreement over OZ Minerals' tenements in the Mt Woods area (Figure 1), specifically excluding the Prominent Hill mine Mining Licence ML 6228.

Managing Director and CEO of OZ Minerals, Mr Andrew Cole, said "This is a win-win for OZ Minerals and Minotaur. We get Minotaur's proven expertise in exploration and analysis and they get access to our vast repository of data."

Minotaur's Managing Director Andrew Woskett said "The Gawler Craton is a highly prospective formation so we believe there could be many large discoveries yet to be made. The Minotaur team is very excited at the prospect of re-entering the tenements of its origins, particularly in partnership with OZ Minerals."

He said Minotaur considers the agreement to be of significant strategic value, complementing OZ Minerals' #3 position on Minotaur's shareholder register. It is entirely consistent with Minotaur's drive to cement strong joint venture alliances with highly credentialed industry participants, sharing exploration risk and cost.

Mechanics of Collaboration Agreement

The arrangement allows Minotaur Exploration unfettered access to OZ Minerals' database and its physical components, which Minotaur will interrogate to potentially identify new options for mineral discovery. OZ Minerals will reimburse Minotaur for up to 80% of its time costs expended on the research work, a task expected to take several months.

Where OZ Minerals and Minotaur collectively agree on the merits of a particular target an on-ground assessment will take place. A \$3 million budget funded 50/50 will allow for initial truthing of prospects to achieve 'proof of concept', with Minotaur as operator.

Following the 'proof of concept' phase a joint venture will be formed in which the beneficial interest in each prospect will be notionally allocated 80% to OZ Minerals and 20% to Minotaur. Minotaur may then elect to sole fund the initial \$2 million of exploration activity to earn an additional 10% interest in a particular target (bringing its equity to 30%), otherwise each party will contribute on a pro-rata basis or Minotaur may dilute.

Where OZ Minerals declines to take a prospect into the proof of concept phase Minotaur may elect to sole fund \$2 million of exploration work to earn an 80% interest, following which the parties will contribute pro-rata or dilute. Should such a prospect reveal a JORC resource of at least 200,000 tonnes of contained copper-equivalent metal OZ Minerals retains the option to 'buy back' the majority interest by paying Minotaur a multiple of 3 X its exploration expenditure. If the 'buy back' is exercised OZ Minerals will return to 80% interest in the prospect and Minotaur will retain 20%.

Benefits of Collaboration

OZ Minerals and Minotaur consider this technical and practical alignment offers the potential for multiple discoveries, bringing together the knowledge base of both parties. Minotaur is honoured that OZ Minerals is willing to share with Minotaur its unsurpassed exploration history at Mt Woods in the belief that Minotaur's local experience and its more recent track record in copper-gold exploration around Cloncurry, Queensland could be of tangible benefit to OZ Minerals.

The Mt Woods area represents classic iron-oxide copper-gold prospective terrane, as evidenced by many significant discoveries. It extends across an area of some 5,000km² curved around the northern flank of the Gawler Range Volcanics, stretching over 120km east-west. Depth of overburden obscuring the basement rocks hosting mineralisation ranges between 100m and 1,000m and advanced geophysical search techniques are considered fundamental to positioning likely mineralised systems.

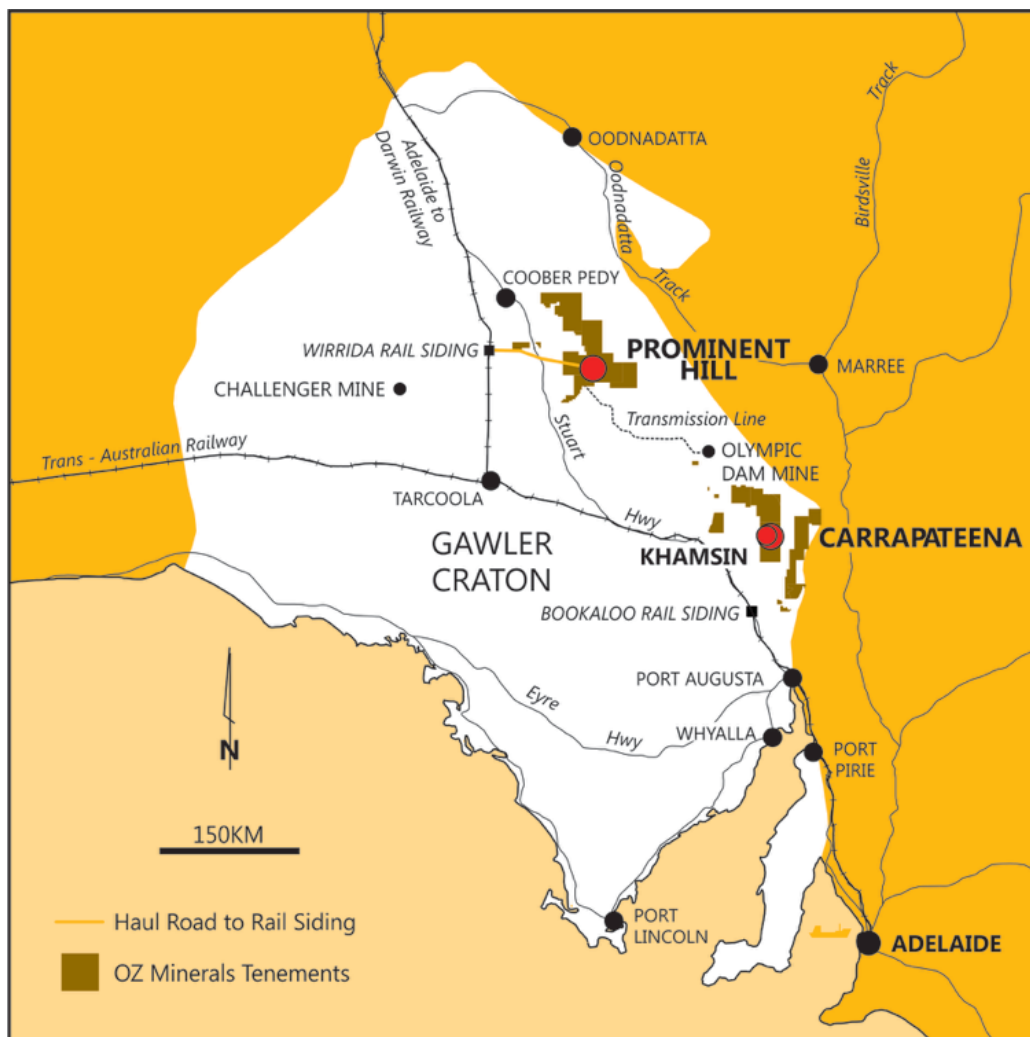


Figure 1: Mt Woods area tenements held by OZ Minerals around Prominent Hill. Collaboration zone excludes the Prominent Hill mine lease

About OZ Minerals at Mt Woods

OZ Minerals Limited owns 100% of the Prominent Hill copper-gold operation in the Mt Woods region of South Australia, producing some of the world's highest-grade copper concentrates. The Prominent Hill deposit was discovered in 2001 by Minotaur Resources Limited (a fore runner of Minotaur Exploration Limited) and was a stand-out greenfield discovery in Australia. OZ Minerals moved to full ownership of Prominent Hill in 2005 and began shipping concentrate in 2009, now delivering up to 120,000 tonnes of copper per year plus 100,000 ounces of gold.

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