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ASX Release

OZ Minerals joins forces with Minotaur Exploration



OZ Minerals will accelerate its search for brownfield copper resources around Prominent Hill in South Australia's Gawler Craton region thanks to a Heads of Agreement with Minotaur Exploration Ltd announced today.

"This is an exciting project that reinforces our commitment to increasing future copper production in line with our growth strategy," said Andrew Cole, CEO and Managing Director of OZ Minerals.

"We'll be giving Minotaur access to our exploration data and in return will receive their proven expertise in exploration and analysis, increasing the possibility of making significant new discoveries.

"This project allows OZ Minerals to leverage Minotaur's excellent reputation as a successful explorer, leaving OZ Minerals to focus on fast tracking the Carrapateena high grade resource option, expanding the Prominent Hill underground mine and seeking growth opportunities elsewhere.

"This shared vision is closely aligned with the State Government's recently announced Copper Strategy, which is designed to unlock the potential of the State's copper belt, including tripling production rates," said Mr Cole.

Background

The initial stage of the project is Minotaur undertaking due diligence on the Mt Woods tenements within South Australia's Gawler Craton region, with a view to identifying potential drill targets on the relevant tenements. If Minotaur identifies any potential drill targets and the outcome of the due diligence is acceptable to both parties, then the parties will negotiate and enter into a formal joint venture to undertake exploration on the relevant tenements.

If a joint venture is entered into, then initial drill testing will be undertaken by Minotaur in 2016 and based on the results of the initial drill testing, OZ Minerals will determine whether any drill targets should become designated projects or low priority targets. If OZ Minerals determines that any target should become either:

- A designated target, then Minotaur will be deemed to have earned a 20% interest in the relevant target and may earn an additional 10% interest in the relevant target if it elects to fund the initial \$2million of exploration activity. Alternatively, each party will either contribute to exploration costs in proportion to their

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relevant interest in the target or Minotaur's interest in the designated project will be diluted; or

- A low priority target, then Minotaur has the option to explore and sole fund all expenditure in respect of any low priority targets. Minotaur may elect to sole fund the first \$2million in exploration expenditure of any low priority target's in return for an 80% interest in the relevant target. In the event that a JORC resource of a minimum of 200,000t of contained copper or its equivalent is discovered, then OZ Minerals has a buy-back option to achieve 80% ownership in the relevant target by paying Minotaur 3 x its exploration expenditure in relation to the relevant target.

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