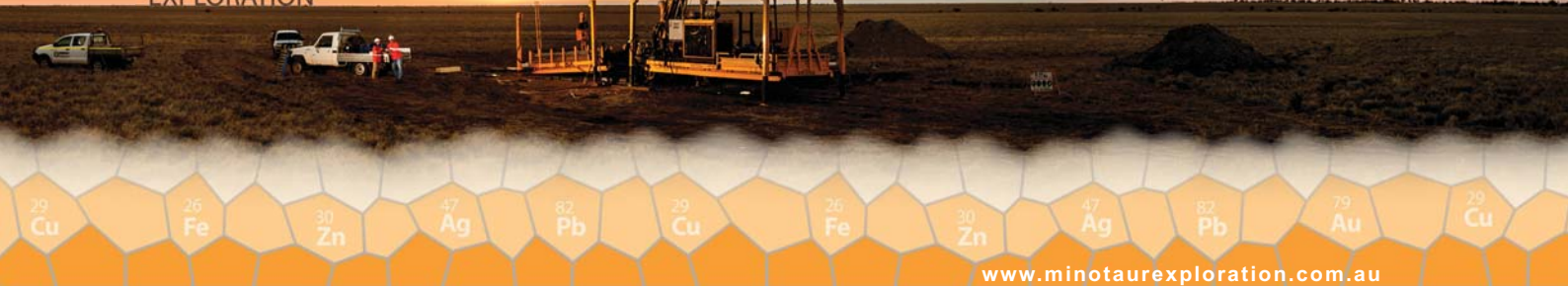


# ASX Release



[www.minotaurexploration.com.au](http://www.minotaurexploration.com.au)

## 15 JULY 2013 TWO JOINT VENTURES ARRANGED WITH ALLIANCE PARTNER

Minotaur Exploration Limited ('Minotaur') has cemented its recently established alliance with a private equity company ('Investor') through the creation of two new joint ventures. This development builds on Minotaur's announcement to ASX dated 14 June 2013 of an initial alliance transaction relating to Minotaur's acquisition<sup>1</sup> of Breakaway Resources Ltd's Scotia gold tenements near Kalgoorlie (completion of which is pending).

### HIGHLIGHTS

An agreement executed today with the Investor triggers two separate joint ventures in the event Minotaur's off-market takeover bid for Breakaway Resources Ltd (ASX: BRW, Breakaway) is successfully concluded, namely:

- a new exploration joint venture over BRW's Eloise regional tenements (Eloise JV), earning up to 50% for exploration expenditure of \$6 million within 4 years; and
- a new exploration joint venture over BRW's Leinster regional tenements (Leinster JV), earning up to 50% for exploration expenditure of \$3 million within 3 years.

Minotaur and Investor (Alliance parties) formed an Alliance in June 2013 to seek joint venture exploration and acquisition opportunities in gold and copper-gold provinces around Australia.

The agreement provides a mechanism for the two exploration joint ventures to commence following successful completion of Minotaur's proposed off-market takeover bid for Breakaway (Bid<sup>2</sup>).

The proposed joint ventures are between Investor and the relevant subsidiaries of Breakaway which hold the applicable tenure.

### ELOISE JV

The proposed Eloise JV covers Queensland tenements EPM17838, EPM18442, MDL431 and MDL432 (515 km<sup>2</sup>), but excluding those areas subject to a joint venture between Breakaway, its wholly owned subsidiary Levuka Resources Pty Ltd and Sandfire Resources NL (the Altia joint venture<sup>3</sup>).

The Alliance parties consider the tenements to be prospective for iron oxide copper-gold (IOCG) mineralisation.

Main terms of the Eloise JV are:

- joint venture will be initiated when and only when Minotaur's bid for Breakaway successfully completes
- minimum expenditure of \$1,700,000 within 12 months (Investor earns 14%)
- an agreed work program accommodates the minimum expenditure requirement
- Stage 2 expenditure of \$1,300,000 within further 12 months (Investor earns a further 11%)
- Stage 3 expenditure of \$3,000,000 within further 24 months (Investor earns a further 25%)
- In total, Investor may earn 50% beneficial interest in the tenements by sole funding \$6,000,000 within 4 years
- Minotaur will be the Operator and Manager of the joint venture.

<sup>1</sup> Refer Minotaur release to ASX dated 20 May 2013 *Minotaur acquires Scotia tenements from Breakaway*.

<sup>2</sup> Refer Minotaur release to ASX dated 15 July 2013 *Recommended Takeover Offer for Breakaway Resources*.

<sup>3</sup> Sandfire Resources may earn 60% by spending \$4,000,000 or 80% by spending \$8 million over the Altia Pb-Zn-Ag joint venture project area.



## LEINSTER JV

The proposed Leinster JV covers tenements in the goldfields of Western Australia. It comprises 3 Exploration Licences, 9 Mining Licences and 5 Prospecting Licences covering 270 km<sup>2</sup>. Norilsk Nickel Australia Pty Ltd retains a 2.5% Net Smelter Return royalty on any ore containing Ni, Cu or PGE elements for which payment is received from production<sup>4</sup>.

The Alliance parties consider the tenements to be prospective for gold mineralisation. The tenements are listed in *Table 1*.

Main terms of the Leinster JV are:

- joint venture will be initiated when and only when Minotaur's bid for Breakaway successfully completes
- minimum expenditure of \$900,000 within 12 months (Investor earns 15%)
- an agreed work program accommodates the minimum expenditure requirement
- Stage 2 expenditure of \$600,000 within further 12 months (Investor earns a further 10%)
- Stage 3 expenditure of \$1,500,000 within further 12 months (Investor earns a further 25%)

- In total, Investor may earn 50% beneficial interest in the tenements by sole funding \$3,000,000 within 3 years
- Minotaur will be the Operator and Manager of the joint venture.

*Table 1: Leinster Project Tenements*

Tenement ID	Location
E37/0761	MT CLIFFORD
E37/0909	MT CLIFFORD
M37/0806	MT CLIFFORD
P37/7170	MT CLIFFORD
P37/7370	MT CLIFFORD
P37/7371	MT CLIFFORD
P37/7372	MT CLIFFORD
P37/7373	MT CLIFFORD
E36/0235	WILDARA
M36/0475	WILDARA
M36/0502	WILDARA
M36/0524	WILDARA
M36/0526	WILDARA
M36/0548	WILDARA
M37/0877	WILDARA
M37/0878	WILDARA
M36/0511	YILLAREE JV

## COMMENT

Andrew Woskett, Minotaur's Managing Director, said: "These joint venture agreements confirm the commercial benefit of the recently formulated Alliance. Minotaur is honoured that the Investor has again placed its trust in our abilities to deliver value through exploration activity and by so doing tangibly support Minotaur's bid for Breakaway.

"Most importantly, this funding arrangement assures Breakaway shareholders that, should Minotaur's bid be successful, immediate 'in-the-ground' activity will start on drill targets identified by Minotaur's exploration team, on Breakaway's tenements. Subject to exploration success, that should result in discovery

upside for Breakaway shareholders transitioning into Minotaur through their acceptance of the bid.

"It provides a mechanism for Minotaur to unlock value through shared risk and reward and substantiates the value proposition for the proposed change of control transaction.

"Minotaur's Board believes that this type of exploration funding model is entirely suited to the current equity climate. We believe that consolidating Breakaway's assets into the Minotaur group and then funding activity on Breakaway ground through the strategic participation of our Alliance Investor represents a good tri-partite win for all parties involved."

<sup>4</sup> For details, refer Breakaway Resources Ltd release to ASX dated 30 May 2013, *Breakaway released from claw-back and pre-emptive rights*.