

15 SEPTEMBER 2016

## Drilling for copper underway in two states

- OZ Minerals' joint venture partner Minotaur Exploration announces new drilling programs for South Australia and Queensland.
- New targets identified around Prominent Hill following comprehensive review of OZ Minerals' data.
- Drilling program commences around Prominent Hill today with results expected in October 2016.

Minotaur Exploration Ltd (ASX: MEP) today announced they are commencing drilling for copper and other base metals on OZ Minerals tenements. The drilling programs are close to the existing operation at Prominent Hill and on Minotaur tenements near Cloncurry in Queensland.

Drilling programs have commenced at both sites.

**OZ Minerals CEO Andrew Cole commented:** "Our joint venture partnership with Minotaur is about ensuring there is an appropriate focus on our core assets while continuing to look for new opportunities.

Following a comprehensive review of OZ Minerals' Prominent Hill data set, Minotaur located a number of additional drilling targets using different modelling and geophysical techniques.

Having a highly-regarded junior explorer share our existing data and opening up our exploration tenements is, to our mind, both an effective way to appropriately manage our capital while bringing a fresh perspective.

The commencement of drilling around our Prominent Hill copper mine is particularly encouraging given the current infrastructure in place. The identification of new drilling sites in Queensland in an area with proven copper and gold resources, is also positive. While it is early days we await the outcome with interest."

A copy of Minotaur's ASX release detailing all technical aspects of the respective drilling programs can be accessed at: [www.minotaurexploration.com.au](http://www.minotaurexploration.com.au)

### Background

The joint venture drilling programmes in Queensland and South Australia are covered by two separate agreements.

At the Eloise JV, 55km south-east of Cloncurry OZ Minerals agreed to invest a minimum A\$1.5m intended to primarily fund drilling programs on Minotaur's project tenements.

OZ Minerals can then also invest a further A\$3.5m into the Eloise project over the two subsequent years for a 51% interest in the tenements. OZ Minerals may then invest a further A\$5m to earn up to 70% interest over the next three years.

The second agreement around its Prominent Hill mine is for Minotaur and OZ Minerals to each contribute up to \$1.5 million to proof test agreed targets. Minotaur will be awarded a 20% beneficial interest in any designated target and can earn a further 10 percent beneficial interest by sole funding \$2 million of exploration expenditure.

### **Approach to joint ventures**

Over the last year OZ Minerals has put in place five separate exploration joint venture partnerships with highly regarded explorers. These provide OZ Minerals with exploration expertise in specific geologies or locations. Our JV partners' in turn access capital to undertake drilling programs. OZ Minerals typically works with its joint venture partners to oversee projects while they manage on the ground activities. OZ Minerals' growth strategy involves building a pipeline of opportunities and rigorously progressing these. In line with our capital discipline strategy, if at any time it is determined that a project does not have the potential to generate substantial value, OZ Minerals will cease expenditure and withdraw from the arrangement.

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