

Minotaur to take Rover for a walk

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MINOTAUR Resources is expanding its reach, selling some Western Australian nickel tenements and signing an option to earn a controlling interest into Andromeda Metals' Rover project in the Northern Territory with potential for precious and base metals, including copper, gold and cobalt.

The explorer, which is primarily active in South Australia and Queensland, announced this morning it had inked an option for a potential A\$5 million farm-in deal with the Rhod Grivas-chaired Andromeda to "reinvigorate" of the Rover copper-gold project in the Tennant Creek district.

The staged farm-in will take place over six years and could see Minotaur earn up to 75% equity, and it will bring a new approach from previous exploration strategies with emphasis on a range of geophysical methodologies.

Minotaur's first on-ground exploration at Rover will commence next week with a trial electromagnetic survey to be undertaken to determine if the technique has application in the Rover field.

The Tennant Creek area has a rich mining history, and Westgold Resources owns the Rover 1 deposit on the southern boundary of the two permits, where there is a published resource of 6.81 million tonnes at 1.73 grams per tonne gold, 1.2% copper, 0.14% bismuth, 0.06% cobalt and 2.07gpt silver.

Significant cobalt credits in historic drilling are largely unreported publicly.

The deposit, which crosses into the Andromeda-Minotaur area, is described by the pair as "arguably the most significant undeveloped mineral resource in the broader Tennant Creek/Rover district".

Westgold also has the Explorer 108 zinc-lead-silver resource, comprising 11.87Mt at 3.24% zinc, 2% lead and 11.1gpt silver along strike and west of Rover, with a similar potential seen at Rover 11E.

Andromeda secured its interest from Newmont in 2005, and discovered copper-gold at Rover 1 and Rover 4, and defined other targets before its attention was called elsewhere.

Under the agreement, Minotaur has 60 days to complete due diligence, and if it triggers the option will have three years to earn 51% by spending \$2 million, with a minimum \$400,000 before it can withdraw.

A further \$3 million could take it to 75% over a further three years.

Minotaur, which is 12.5% owned by Sprott, and which counts OZ Minerals and Sandfire

Resources amid its shareholders, has a right to bring in a funding partner. Franco-Nevada, which has a royalty over the area, also as a once-off buyback right to earn 70% of any gold resource if a 2Moz resource is defined, paying \$20 million or three times its exploration expenditure.

Separately, Minotaur has elected to sell three tenements south-east of Leinster in WA to a private group for total consideration of \$1.55 million in a mixture of cash, shares and a milestone payment.

The buyer is looking to consolidate regional nickel portfolio ahead of an initial public offer later this year, and wants to add the small Horn resource, west of the Waterloo deposit, for its collection.

Minotaur retains the 21,000t Saints nickel resource 65km northwest of Kalgoorlie, where an in-fill EM survey has just been concluded, and where desktop mining studies are underway.

Shares in Minotaur were steady at 8c capitalising it at \$20.2 million, while Andromeda shares were unchanged at 0.7c, valuing it at \$6.2 million.

Minotaur had around \$3 million in cash at the end of March, but its work in Queensland is funded by OZ and JOGMEC.