



MINOTAUR EXPLORATION LIMITED  
ACN 108 483 601  
ASX: MEP

MINOTAUR  
EXPLORATION

28 November 2019

# Chairman's Address - AGM 2019

Good morning Ladies and Gentlemen,

It is my pleasure today to welcome you to this 2019 Annual General Meeting of Minotaur Exploration.

Your Company continues to be an active explorer for base metals within Australia, especially in consort with our strategic joint venture partner OZ Minerals, with whom several initiatives were implemented.

The Eloise joint venture was revamped and extended upon OZ Minerals attaining 70% interest. Now OZ will contribute an additional \$3 million over the next 2 years – having already invested \$4 million into the JV tenements. A new tenement, named Matilda, has just been granted to Minotaur and integrated to the JV. Matilda provides high value EM targets very close to the Eloise copper mine. These will be refined for drill design by on-ground EM after the wet season ends in March 2020. A Jericho-style EM target, 'Seer', will also be drill investigated in the new field season.

We agreed with OZ Minerals to partition the Jericho copper deposit from the Eloise JV into a new joint venture owned 80% by OZ Minerals and 20% by Minotaur. The Jericho system, discovered by Minotaur for the JV and known to extend for 3.7km, has been tested by 30km of drilling in the past 2 years. That effort has seen OZ Minerals invest \$10.6 million at Jericho where its two parallel lodes have been intersected by 98 holes in total, assays from which show the presence of several high-grade shoots between 50m and 350m below surface. These shoots remain open at depth and down plunge but require further drilling to 650m below surface to optimally quantify. Minotaur is advocating for OZ Minerals to continue drilling to establish resource potential and accumulate sufficient data to enable estimation of a sizeable JORC resource. That is Minotaur's objective for the first half of 2020 and we look to OZ Minerals for approval. Presently, OZ Minerals is considering underground mining options for Jericho and those scenarios will inform their position on further drilling.

Minotaur gratefully acknowledges OZ Minerals' willingness to finance all of Minotaur's share of expenses required from April 2019, to progress Jericho into development and production. The 'loan carry' facility (currently at \$0.9 million) means that OZ Minerals is sole funding the Jericho JV and Minotaur's accumulating loan balance will not be repaid unless and until Jericho becomes a cash flow positive mining operation. Minotaur's shareholders can take comfort from the fact that this mechanism insulates Minotaur from all project and financing risk.

In parallel to those joint venture initiatives Minotaur and OZ Minerals agreed to work exclusively with each other across the broad Cloncurry region, to identify and secure opportunities that could form the basis of a 'copper hub', be they tenement acquisitions, infrastructure assets or mineral assets. Minotaur's pertaining research effort is being funded by OZ Minerals over the next 2 years and is already bearing fruit, further news of which we expect to emerge shortly.

I will now reiterate the Company's strategic imperatives set by the Board, as it is important that we remain focussed on our objectives;

*Minotaur is a copper-gold and base-metals oriented project generator with a focussed regional approach, engaging with joint venture partners to create company growth opportunities.*

We are solidifying our position in base metals exploration. We elected to move towards our initial earn-in threshold of 51% under the Windsor JV near Charters Towers and generated the first drill target, using IP. Hasting's was drill tested and found to be barren, a disappointing result but indicative of the inherent exploration risk. It does not, however, dissuade us from the view that the tenement area is highly prospective. We initiated an IP survey at the Warrawee prospect with IP but took the responsible decision to shut down that work due to the bushfire risk declaration across Queensland. Field work will resume after the coming wet season.

Our positive view of the Windsor ground is reflected by our agreement to purchase the package outright and thus by-pass having to expend a further \$3.5 million to reach the 80% ceiling permitted under the JV. For just \$500k in cash and shares Minotaur will own 100% of the JV area, once regulatory permissions are received, and open up avenues for joint venture earn-in participation.

In South Australia, Andromeda Metals is investing strongly in our Poochera kaolin-halloysite project to advance the joint venture project into commercialisation, at which time Minotaur envisages a regular income stream generated through our passive 25% interest. The farm-out of Poochera to Andromeda allows Minotaur to focus on base-metals exploration whilst retaining an operating interest in what we expect to be value-creative for shareholders.

Minotaur's new investors benefitted from the Federal Government's junior mining exploration incentive scheme (JMEI). The 2018-2019 financial year JMEI allocation equated to an 11.5% tax credit per new share acquired, a tangible benefit to eligible shareholders. This financial year Minotaur may deploy up to \$1 million to new investors as tax credits for new shares purchased, depending on the quantum ultimately invested in greenfields exploration.

Today, Dr Tony Belperio steps down from being an executive director of this Company. Tony has had an impressive career, 22 years of which, since early 1997, has been dedicated to Minotaur. The Company, shareholders and staff have been the beneficiaries of Tony's incredible geoscience knowledge and commercial savvy. Tony has agreed to remain on the Board as a non-executive director and will immediately take up this role by invitation. We will seek confirmation by shareholders via his re-election at the AGM next year.

In closing, 2019 saw the activity pace of the past few years maintained, mostly through joint venture participation. We value that collaboration and extend our appreciation to our partners. Similarly, I want to thank Minotaur's staff and management and Andrew for his leadership of the team, for their dedication to the Company's objectives and, finally, express especial appreciation for your support as shareholders throughout the year.



**Roger Higgins**

Chairman