



MINOTAUR EXPLORATION LIMITED
ACN 108 483 601
ASX: MEP

15 November 2019

ASX Release

Minotaur to acquire Windsor Project Area, Charters Towers region, QLD

Highlights

- Minotaur has contracted to purchase 100% ownership of the Windsor JV tenements
- Acquisition cost is \$500,000 in a mix of cash and shares
- Full ownership avoids further \$3.5m of earn-in expenditure to attain 80% JV interest

Minotaur Exploration and its Windsor Joint Venture partner have agreed for Minotaur to purchase outright the Windsor Joint Venture (JV) tenement group (Figure 1) through a standard sale and purchase process. Minotaur is progressively earning towards an initial beneficial interest in the JV tenements through exploration activity expenditure (Minotaur presently has nil legal interest). Acquisition by Minotaur of the tenement package will result in its 100% ownership and cancellation of the JV.

The Windsor JV area covers 631km² and includes 175 km² of the notably prospective Trooper Creek Formation (TCF), host to numerous high-grade base metal VMS deposits such as the Thalanga and Highway Reward deposits (Figure 1).

Terms

Minotaur and the tenement holder have signed a binding Terms Sheet and will enter into a formal Sale and Purchase Agreement.

The sale is subject only to normal regulatory consent to transfer of titles, upon which Minotaur will pay the Vendor \$250,000 cash and allot \$250,000 of Minotaur shares (as calculated from the 5-day VWAP at the time).

Investment Proposition

Minotaur has not yet attained a beneficial JV interest in the tenement package, so it is opportune for Minotaur to consolidate its equity position through this transaction, rather than continue to spend to earn an initial JV interest. Under the terms of the JV, to achieve its ultimate interest of 80% Minotaur is obligated to invest \$4 million in tenement expenditure (including \$0.5 million applied to date).

The JV agreement implicitly values the tenements at \$5m (upon Minotaur earning its 80% ceiling). Minotaur's overall acquisition cost of \$1 million (including \$0.5 million expenditure to date) for 100% ownership thus compares favourably to the JV earn-in terms.

Exploration Approach

TCF extents within the Windsor project area have received no substantive exploration attention since the early 1990's, particularly on those stretches where surficial cover overlies prospective basement lithologies. Minotaur considers this provides opportunity and is directing exploration efforts in both covered and outcropping areas through the use of geophysical techniques not available to earlier explorers.

Minotaur's first IP survey defined the Hastings anomaly, interpreted to be a VMS-style base metals target. RC drilling through November¹ did not encounter mineralisation, the anomaly being perfectly explained by the presence of pyritic black shale. Drilling was terminated mid-way through the programme and when assays are available a confirmatory report will be issued.

Investment Logic

Despite Hastings being devoid of base metals Minotaur retains a positive view on the potential of the Windsor tenement group to host economic mineralisation and is further encouraged by Red River's (ASX: RVR) current drill success at its Liontown VMS deposit² also hosted in the TCF. Minotaur's field work will continue into December, at Warrawee, then recommence in 2020 after cessation of the north Queensland wet season, targeting VMS-style mineralisation.

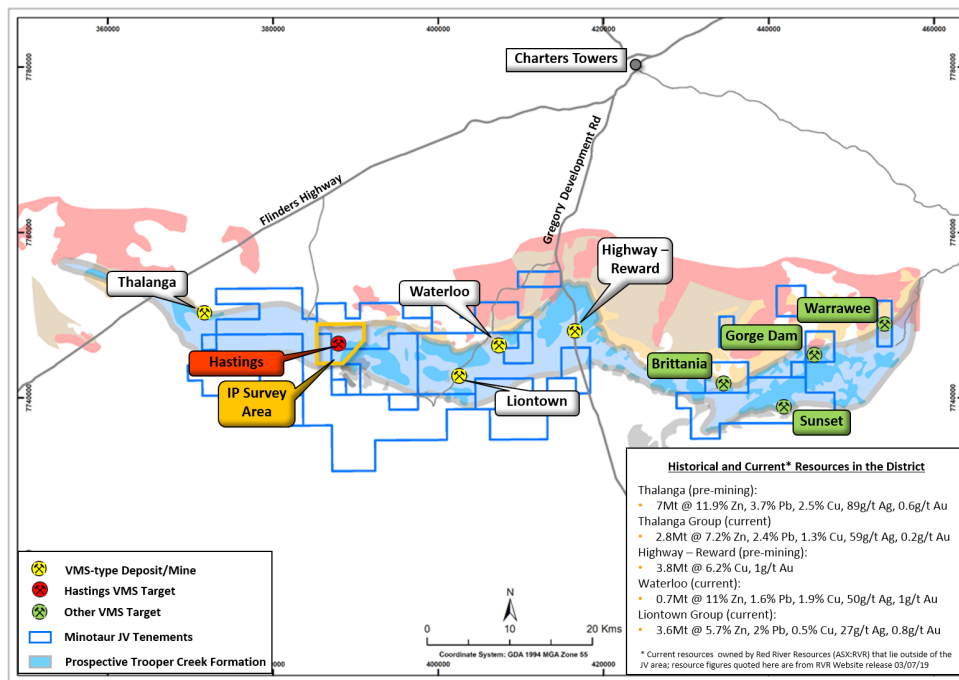


Figure 1: Windsor JV tenements with prospective Trooper Creek Formation, VMS deposits and Hastings IP anomaly

¹ MEP release to ASX, *Drilling commences at Hastings VMS target*, dated 30 October 2019

² RVR release to ASX, *Liontown drilling highlights potential to expand Thalanga*, dated 13 November 2019

About the Windsor JV

Windsor JV, north east Queensland (Figure 1, 631km²) is a joint venture between Minotaur and the tenement holder. Having surpassed its initial expenditure obligation Minotaur has the right to earn up to 80% interest in the tenements through total expenditure of \$4 million over a 5 year earn-in phase. Sale of the tenements to Minotaur will cause the joint venture to be annulled.

COMPETENT PERSON'S STATEMENT

Information in this report that relates to Exploration Results is based on information compiled by Mr. Glen Little, who is a full-time employee of the Company and a Member of the Australian Institute of Geoscientists (AIG). Mr. Little has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Little consents to inclusion in this document of the information in the form and context in which it appears.

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