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MINOTAUR
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MINOTAUR SELLS ROXBY DOWNS AREA TENEMENTS FOR \$10 MILLION

Arising from a review of value capturing options available to Minotaur Exploration Ltd ('Minotaur' or 'Company') in relation to its Gawler Craton assets, the Company has entered into a Sale and Purchase Deed with BHP Billiton Olympic Dam Corporation Pty Ltd ('BHP Billiton') relating to the sale of 5 exploration tenements.

HIGHLIGHTS

- The Company, its wholly-owned subsidiary Minotaur Operations Pty Ltd ('MinOps'), BHP Billiton and Billiton Exploration Australia Pty Ltd ('BEA') have executed a binding Sale and Purchase Deed ('Agreement').
- The Agreement encompasses the sale to BHP Billiton of 5 of MinOps's exploration tenements covering 2,555 km² in the Gawler Craton and proximal to the Olympic Dam mine ie: ELs 3761, 3762, 4762 and 4763 and ELA 2009/00074 ('Roxby Downs area tenements').
- Upon Completion, BHP Billiton will pay Minotaur A\$10,000,000 in cash and BEA will transfer to MinOps its interest in EL 4745 ('Bonython Hill').
- As part of the transaction, Toro Energy Ltd ('Toro', ASX: TOE) and its wholly-owned subsidiary Minotaur Uranium Pty Ltd ('MU') have agreed to cancel their rights to Uranium minerals in ELs 3761 and 3762 and EL 4745.
- Completion remains subject to Ministerial Consent to renewal and transfer of the tenements.

MinOps holds the Roxby Downs area tenements in the Gawler Craton, a geological domain recognised for the occurrence of several large, high quality iron oxide copper-gold-uranium ('IOCGU') deposits such as: Olympic Dam; Carrapateena; Prominent Hill. The disposition of these tenements the subject of the Agreement, is shown on (*Figure 1*).

The Agreement encompasses the sale of Minotaur's 100% owned Roxby Downs area tenements to BHP Billiton for cash consideration of A\$10,000,000. In addition, BEA, a related entity of BHP Billiton and a party to the Agreement, has relinquished its 41% joint venture beneficial interest in the Mutooroo/Thackaringa Joint Venture, which applies to EL 4745, Bonython Hill.

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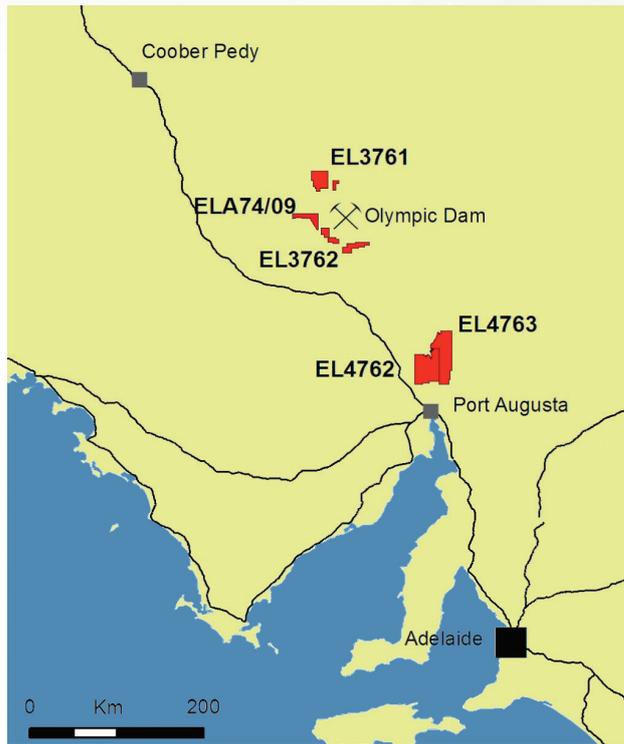


Figure 1: Arrangement of Minotaur Exploration tenements in the Roxby Downs region of the Gawler Craton.

A separate Deed executed between Minotaur, Toro, MU and BEA ('Toro Deed') provides for mutual cancellation of agreements between them in relation to EL 4745, EL 3761 and EL 3762, subject to payment of \$500,000 by Minotaur to MU at Completion of the Agreement, which has the effect of cancelling MU's rights to Uranium minerals on those tenements.

In addition to the sale of the Roxby Downs area tenements, MinOps regains 100% ownership of Bonython Hill EL 4745, a tenement prospective for base metals and Braemar Iron Formation magnetite mineralisation similar to the Muster Dam JORC resource (November 2011) at the adjacent Mutooroo iron project on EL 3745.

The sale allows the Company to sharpen its exploration focus on its Cloncurry area IOCG style targets, where cover depth to basement rocks is typically around 100m, unlike the Roxby Downs tenements where the cover sequence is often much deeper. Minotaur came to the view that deep exploration of geophysical targets around Roxby Downs, together with access impediments to the Woomera Protected Area, represents a risk profile incompatible with the Company's means and is an undertaking more suited to major exploration enterprises. Against that background Minotaur ran a competitive bidding process to determine fair value and is satisfied with the outcome achieved.

With the net \$9.5 million in proceeds Minotaur is well positioned to upscale its attention on its copper-gold exploration prospects around the Ernest Henry, Osborne and Eloise mines near Cloncurry. The Company also intends to actively seek new opportunities in gold development projects within Australia and invites discussion on joint venture or acquisition proposals.

Minotaur was advised by corporate finance advisory firm Fortis Agō.

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