

**CHAIRMAN'S ADDRESS**  
**Minotaur Exploration Limited**  
**ANNUAL GENERAL MEETING 2012**

Ladies and Gentlemen, welcome to our meeting for 2012.

When I reflect back on my address of twelve months ago I am struck by the time warp our equity markets seem to be stuck in. As you will no doubt recall 2011 was a year of uncertainty and stock market volatility; a 'worrisome environment' for all investors, I termed it at the time.

Little did I think that a year on we would be still stuck in that mode. It remains a difficult and stressful time for investors and directors alike as we all seek to build value, whether in our personal investment portfolio or in this company itself where you, quite wisely, have elected to place your trust in your directors' ability to build wealth on your behalf.

Today, I'm not going to trawl through the challenges confronting investors and markets alike. These are religiously reported daily by the press and it takes some shareholder faith to put the negativity into context and soldier on, and to maintain your confidence in the enduring value of industrial commodities such as copper, iron ore and other industrial minerals like our China Clay.

At Minotaur, your directors do have an unshakeable belief in the world's need for these commodities, as they are and will continue to be the building blocks of global development and industrialisation. We have a positive view on demand remaining strong for many generations to come and that fuels our enthusiasm to keep searching for new resources.

The immediate reality though is that the junior exploration sector is under severe threat. Sadly, many of the 700 ASX listed companies with a market capitalisation under \$10 million are struggling with, or may soon confront, solvency issues in an investment environment not at all disposed towards equity injections. Early next year will see a mass of share purchase plans come to light as boards look for survival capital in the absence of appetite for equity placements.

I'm very pleased to say to you that, thankfully, those scenarios do not apply to Minotaur Exploration. We finished October with \$10.3 million of cash plus some \$4 million of listed company investments. Frustratingly for all of us, however, Minotaur's market capitalisation of \$15 million barely reflects cash + investment backing, giving no value at all for the suite of excellent project assets we hold and are steadily developing. We do see, pleasingly, that market sentiment can turn quickly on the back of a notable discovery. The Sirius Resources example justifies shareholders' maintaining their faith in their company, their board and management where these are striving to execute a sound exploration and growth plan. Unashamedly, I place Minotaur in that category and I trust you share my view.

We cannot guarantee exploration success, so we will seek to further bolster our financial foundation through timely monetisation of selected assets. Specifically, I am identifying the Muster Dam iron project and the Carey's Well kaolin project as 'sale ready' assets that we believe could attract buyer or financing partner interest. You may have read about this in the Annual Report and I can confirm today that serious effort is being applied to move in that direction. Minotaur has demonstrably added significant value to each project and is positioning those to attract participation by offshore parties. Of course, transactions of this nature can be complex and take longer than expected, *however* we have demonstrated over the past year our ability to finalise value capturing deals though the successful sale of the Tunkillia gold interest, the Gawler tenements to BHPB and the vend of other tenements into new floats such as Thomson Resources and Spencer Resources.

While prudent in our application of precious cash resources, we also see many opportunities ahead as some companies struggle to meet their expenditure obligations attaching to tenements. We are evaluating a number of new joint venture projects in gold and copper settings where entry costs are low and exploration potential is high. We see upside in the gold price as Europe and the USA totter, as the Australian economy cools and the federal budget surplus objective miraculously evaporates in the new year. The board has given support to management's drive to identify a gold project acquisition.

Andrew will give some further insight to his efforts on these various fronts after the formal meeting is concluded. As always, the directors appreciate feedback from our shareholders and we welcome you to drop in to the office for a cup of tea and a chat at any time. I'd like to express, on behalf of everyone, our condolences to our fellow long-serving director, Richard Bonython, whose wife of 50 years, Dorothy, sadly passed away in July.

Ladies and gentlemen, thank you sincerely for your attendance, for your support of the company and for your encouragement, which we absolutely value, as we together continue the quest for minerals wealth and prosperity.