Minotaur Exploration Ltd

ABN 35 108 483 601

Half Year Report

for the half year ended 31 December 2011

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Directors' Report

The directors of Minotaur Exploration Ltd ('Minotaur Exploration') present their Report together with the financial statements of the consolidated entity, being Minotaur Exploration Ltd ('the Company') and its controlled entities ('the Group') for the half year ended 31 December 2011 and the Independent Review Report thereon.

Director Details

The following persons were directors of Minotaur Exploration during or since the end of the half year.

Mr Derek Carter, Chairman
Mr Andrew Woskett, Managing Director
Mr Richard Bonython, Non-Executive Director
Dr Peter Gower, Non-Executive Director (Retired 24 November 2011)
Dr Antonio Belperio, Executive Director

Review of Operations

Corporate

- The Company allotted 10,876,691 new ordinary shares through a Share Purchase Plan to raise approximately $1.6 million before costs.
- The Company entered into a binding agreement with Mungana Goldmines Ltd (ASX: MUX) for the sale of its interest in the Tunkillia Gold Project.

Project Development

Poochera Kaolin Project

Samples of kaolinised granite from the Carey's Well "Bright White" resource in-fill drilling program were processed through the Streaky Bay laboratory, enabling detailed spatial and vertical definition of resource parameters. Re-estimation of the JORC resource to measured status was completed early in 2012. Regional drilling was also completed on a number of other prospects (Condooringie Well, Tomney East) with sample processing continuing into 2012.

Exploration

Exploration activity focused on magnetite in South Australia, and copper-gold in South Australia and Queensland. Significant new applications were made in Victoria, New South Wales and Queensland. The Company relinquished its exploration rights in Nova Scotia.

At the Border Magnetite Project, resource definition drilling was completed at Muster Dam and a maiden JORC Inferred Resource was released. Work on a scoping study continues.

At the Aphrodite IOCG Prospect, the Company was successful in attracting PACE government funding towards an innovative 3D magnetotelluric survey to be undertaken in 2012.

At the Yorke Peninsula IOCG Project, biogeochemical sampling was undertaken to assist in prioritising ground geophysical anomalies for possible drill testing. A number of low-level copper and gold anomalies were detected and drilling priorities are being re-assessed.

At Cloncurry, extensive geophysical surveys and two drill campaigns were completed on joint venture tenements funded by JOGMEC, the Japan Oil, Gas and Metals National Corporation. Seven of nine drillholes intersected significant mineralisation associated with IOCG style alteration. An extensive portfolio of tenement applications totalling some 3000 square kilometres and focussed around the Osborne and Eloise mineralising centres, are continuing through the grant process. Significantly enhanced exploration activity is expected in 2012 as new tenements are successively granted.

In Victoria, preliminary ground surveys were undertaken around Heathcote, with two new applications lodged for copper - gold exploration in western Victoria near Ararat.

In New South Wales, the Company relinquished its rights under the Cowra and Boorowa Joint Ventures, and commenced exploration on the Arthurville Project, where planning is advanced for a regional airborne electrical geophysical survey and discussion continues with potential joint venture partners.

Investments

Mithril Resources Ltd (ASX: MTH)
The Company holds 21,416,667 shares (9.752%) and 1,875,0000 options in Mithril.

Petratherm Ltd (ASX: PTR)
The Company holds 22,707,397 shares (15.65%) in Petratherm.

PlatSearch NL (ASX: PTS)
The Company holds 8,000,000 shares (4.56%) in PlatSearch.

Thomson Resources Ltd (ASX: TMZ)
The Company holds 10,000,000 (14.25%) shares and 1,500,000 options in Thomson.

ActivEX Ltd (ASX: AIV)
The Company holds 4,000,000 shares (2.4%) and 1,325,000 options in ActivEX.

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr A. P. Belperio, who is a full-time employee of the Company and a Fellow of the Australasian Institute of Mining and Metallurgy. Dr A. P. Belperio has a minimum of 5 years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr A. P. Belperio consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Auditor's independence declaration

The auditor's independence declaration is set out on page 6 and forms part of the directors' report for the half year ended 31 December 2011.

Signed in accordance with a resolution of the directors.

Mr Derek Carter
Chairman

8 March 2012

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MINOTAUR EXPLORATION LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Minotaur Exploration Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

J L Humphrey
Partner

Adelaide, 8 March 2012

Interim consolidated statement of comprehensive income

For the half-year ended 31 December 2011

	Consolidated Group Half-year ended	
	31 Dec 2011	31 Dec 2010
	$	$
Revenue	286,194	215,162
Gain on reclassification of non current asset	-	1,784,951
Other income	141,710	104,765
Impairment of exploration and evaluation assets	(658,902)	(592,027)
Impairment of available for sale investments	(1,709,695)	-
Employee benefits expense	(198,377)	(270,518)
Depreciation expense	(51,899)	(72,899)
Finance costs	(5,685)	(6,926)
Share of losses of associates accounted for using the equity method	-	(705,684)
Other expenses	(754,049)	(549,291)
Loss before income tax expense	(2,950,703)	(92,467)
Income tax benefit/(expense)	(11,947)	(58,970)
Loss from continuing operations	(2,962,650)	(151,437)
Loss attributable to members of the parent entity	(2,962,650)	(151,437)
Other comprehensive income		
Exchange differences arising on translation of foreign operations	(2,111)	(67,292)
Gain/(loss) on available-for-sale investments taken to equity	(64,000)	412,900
Total comprehensive income for the period	(3,028,761)	194,171

Earnings per share:	*Cents*	*Cents*
Basic earnings per share	(3.03)	(0.17)
Diluted earnings per share	(3.03)	(0.17)

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated interim financial report.

Interim consolidated statement of financial position
As at 31 December 2011

		Consolidated Group	
		31 December 2011	30 June 2011
	Note	$	$
CURRENT ASSETS			
Cash and cash equivalents		1,541,580	2,231,064
Trade and other receivables		168,164	764,906
Other current assets		464,450	376,349
Held for sale assets	6	5,695,210	142,345
TOTAL CURRENT ASSETS		7,869,404	3,514,664
NON-CURRENT ASSETS			
Available-for-sale investments	7	2,770,833	4,605,000
Investments accounted for using the equity method		-	-
Property, plant and equipment		509,277	549,995
Exploration and evaluation assets	8	7,674,440	11,345,820
TOTAL NON-CURRENT ASSETS		10,954,550	16,500,815
TOTAL ASSETS		18,823,954	20,015,479
CURRENT LIABILITIES			
Trade and other payables		734,595	684,306
Short-term borrowings		35,222	33,898
Short-term provisions		376,978	317,229
TOTAL CURRENT LIABILITIES		1,146,795	1,035,433
NON-CURRENT LIABILITIES			
Long-term borrowings		100,988	118,936
Long-term provisions		48,714	62,070
TOTAL NON-CURRENT LIABILITIES		149,702	181,006
TOTAL LIABILITIES		1,296,497	1,216,439
NET ASSETS		17,527,457	18,799,040
EQUITY			
Issued capital	9	30,816,748	29,213,124
Reserves		1,207,844	1,120,401
Retained earnings		(14,497,135)	(11,534,485)
TOTAL EQUITY		17,527,457	18,799,040

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated interim financial report.

Interim consolidated statement of changes in equity

For the half-year ended 31 December 2011

		Consolidated Group				
	Note	Issued Capital Ordinary $	Share Option Reserve $	Other Components of Equity (Note 10) $	Retained Earnings $	Total Equity $
Balance at 1 July 2010		25,930,647	820,394	171,055	(10,325,125)	16,596,971
Profit/(Loss) for the period		-	-	-	(151,437)	(151,437)
Other comprehensive income		-		345,608		345,608
Issue of shares by way of private placement		3,382,242	-	-	-	3,382,242
Issue of shares upon exercise of options		25,000	-	-	-	25,000
Transfer from share based payment reserve upon exercise of options		11,181	(11,181)	-	-	-
Transaction costs (net of tax)		(137,597)	-	-	-	(137,597)
Cost of share based payment		-	115,410	-	-	115,410
Transfer from available for sale revaluation reserve upon disposal of investments		-	-	85,281	-	85,281
Transfer from share based payment reserve upon lapse of options		-	(18,080)	-	18,080	-
Balance at 31 December 2010		29,211,473	906,543	601,944	(10,458,482)	20,261,478
Balance at 1 July 2011		29,213,124	913,155	207,246	(11,534,485)	18,799,040
Profit/(Loss) for the period		-	-	-	(2,962,650)	(2,962,650)
Other comprehensive income		-	-	(66,111)	-	(66,111)
Issue of shares under Share Purchase Plan		1,631,500	-	-	-	1,631,500
Transaction costs (net of tax)		(27,876)	-	-	-	(27,876)
Cost of share based payment		-	147,554	-	-	147,554
Transfer from available for sale revaluation reserve upon disposal of investments				6,000		6,000
Balance at 31 December 2011		30,816,748	1,060,709	147,135	(14,497,135)	17,527,457

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated interim financial report.

Interim consolidated statement of cash flows
For the half-year ended 31 December 2011

	Consolidated Group	
	Half year ended 31 Dec 2011 $	Half year ended 31 Dec 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	110,449
Payments to suppliers and employees	(725,540)	(638,504)
Interest received	31,536	116,956
Finance costs	(5,043)	(6,892)
Receipt of R&D Tax Concession	408,014	312,150
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	(291,033)	(105,841)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(4,700)	(174,632)
Purchase of investments in associates	-	(500,000)
Purchase of available-for-sale investments	-	(24,000)
Proceeds from sale of available-for-sale investments	208,181	368,774
Government exploration related grants	70,662	-
Joint venture receipts	3,543,541	1,165,984
Payments for exploration activities	(5,797,147)	(2,708,082)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	(1,979,463)	(1,871,956)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,631,500	3,407,242
Payment of transaction costs for issue of shares	(38,103)	(212,121)
Repayment of borrowings	(13,486)	(15,342)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	1,579,911	3,179,779
Net increase/(decrease) in cash and cash equivalents	(690,585)	1,201,982
Net foreign exchange differences	1,101	(11,713)
Cash at the beginning of the period	2,231,064	4,122,122
CASH AT THE END OF THE PERIOD	1,541,580	5,312,391

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial report.

Notes to the condensed interim consolidated financial statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

1. Corporate information

The interim consolidated financial statements of the Group for the six months ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 8 March 2012.

Minotaur Exploration Ltd is a limited company incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange under the symbol MEP. The principal activities of the company and its subsidiaries (the Group) are to continue to seek extensions of areas held and to seek out new areas with potential for mineralization; and to evaluate results achieved through surface sampling, drilling and geophysical surveys carried out during the year.

2. Basis of preparation and change to the Group's accounting policies

Basis of preparation

The interim consolidated financial statements for the six months ended 31 December 2011 have been prepared in accordance with AASB 134 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2011.

New standards, interpretations and amendments adopted by the Group

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2011, except for the adoption of Improvements to AASBs 2010 (2010 Improvements) as of 1 January 2011. The 2010 Improvements made several minor amendments to AASBs. The relevant amendments and their effects on the current period or prior periods are described below.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Amendment to AASB 101 Presentation of Financial Statements

The amendment provides a choice of presenting the reconciliations for each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group previously presented such reconciliations in the Consolidated Statement of Changes in Equity. The Group now presents the reconciliations of each component of other comprehensive income in the notes to the financial statements (see Note 10). This reduces duplicated disclosures and presents more clearly the overall changes in equity. Prior period comparatives have been restated accordingly.

Amendments to AASB 134 Interim Financial Reporting

The amendments clarified certain disclosures relating to events and transactions that are significant to an understanding of changes in the Group's circumstances since the last annual financial statements. The Group's interim financial statements as of 31 December 2011 reflect these amended disclosure requirements, where applicable.

Notes to the condensed interim consolidated financial statements
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

3. Estimates
When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2011. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

4. Significant events and transactions
On 5 December 2011, Minotaur announced that it had entered into a binding conditional agreement with Mungana Goldmines Ltd ('Mungana') to sell its Tunkillia gold project asset for $6 Million in cash and shares. The agreement provided for a consideration of AU $4.0 Million in cash plus AU $2,000,000 payable in 3,076,923 Mungana shares. In connection with the sale, the Company's Tunkillia asset has been impaired by $99,945 and has been classified as held for sale within the Company's Statement of Financial Position.

During the year, the Company ceased exploring on several exploration tenements. As a result, the carrying amount of these tenements held as exploration and evaluation assets were written off. The total amount of these write downs was $558,957.

Finally, at the end of the period, the Company's available for sale assets (shares in Thomson Resources Ltd [ASX:TMZ], Mithril Resources Ltd [ASX:MTH], Platsearch NL [ASX:PTS] and ActiveX Ltd [ASX:AIV]) were revalued to market value at 31 December 2011. This revaluation resulted in an impairment expense of $1,709,695 ($985,167 pertaining to Mithril Resources Ltd, $600,000 pertaining to Thomson Resources Ltd and $124,528 pertaining to ActiveX Ltd).

5. Segment reporting
Management identifies its operating segments based on the types of business segments encountered by the Group. The Group's two main operating segments are:

- Investment: that being strategic investment by the Group in equity instruments of associates and other similar entities; and
- Exploration activities conducted.

During the six month period to 31 December 2011, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

Notes to the condensed interim consolidated financial statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review.

	Segment Revenue		Segment Result	
	Half Year ended		Half Year ended	
	31-Dec 2011 $	31-Dec 2010 $	31-Dec 2011 $	31-Dec 2010 $
Continuing Operations				
Investments	44,383	114,813	(1,523,602)	1,298,845
Mineral Exploration	241,811	77,399	(417,091)	(451,757)
	286,194	192,212	(1,940,693)	847,088
Finance costs	-	-	(5,685)	(6,926)
Administration/Corporate		22,950	(952,426)	(859,730)
Depreciation	-	-	(51,899)	(72,899)
Consolidated revenue	286,194	215,162		
Profit before income tax			(2,950,703)	(92,467)
Income tax benefit			(11,947)	(58,970)
Profit/(Loss) for period			(2,962,650)	(151,437)

The revenue reported above represents revenue generated from financial institutions, investments revenues and management fees earned from joint venture partners. There were no intersegment sales during the period.

Segment profit/(loss) represents the profit or (loss) earned/(incurred) by each segment without allocation of central administration costs, finance costs, depreciation and income tax (expense)/benefit. This is the measure reported to the Managing Director for the purposes of resource allocation and assessment of segment performance.

Notes to the condensed interim consolidated financial statements
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Segment Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. The following is an analysis of the Group's assets by reportable operating segment.

	Opening Balance 1/07/2011 $	Capital Expenditure/ Investment $	Impairment/ Share of loss $	Revaluations /Translations $	Disposals	Closing Balance 31/12/2011 $
Continuing Operations						
Investments	5,805,000	-	(1,709,695)	(62,472)	(662,000)	3,370,833
Mineral Exploration	11,488,165	2,540,387	(658,902)	-	-	13,369,650
Total segment assets	17,293,165	2,540,387	(2,368,597)	(62,472)	(662,000)	16,740,483
Other						
Administration/Corporate	2,722,314					2,083,471
	20,015,479					18,823,954

Notes to the condensed interim consolidated financial statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

6. Held for sale assets

	Consolidated 31-Dec 2011 $	Consolidated 30-Jun 2011 $
Exploration and evaluation phase costs *	5,695,210	142,345
	5,695,210	142,345

* The Company's held for sale assets relate to the sale of the Company's Tunkillia gold project asset (refer to note 4) and certain Gawler Ranges tenements. The carrying amount of the assets was $5,538,462 (Tunkillia) and $156,748 (Gawler Ranges) respectively. An impairment expense of $99,945 has been recognised in relation to the Company's Tunkillia gold project.

7. Available-for-sale investments

	31-Dec 2011 $	30-Jun 2011 $
At fair value - Shares and rights, listed:		
Opening balance	4,605,000	993,068
Revaluations	(62,472)	48,000
Disposals	(65,000)	(187,068)
Acquisitions	-	195,000
Impairments	(1,706,695)	(2,299,000)
Transfer from investments in associates	-	1,640,455
Gain on reclassification of non-current assets	-	4,214,545
	2,770,833	4,605,000

8. Exploration and evaluation assets

	Consolidated 31-Dec 2011 $	Consolidated 30-Jun 2011 $
Exploration, evaluation and development costs carried forward in respect of mining areas of interest		
Exploration and evaluation phases - Joint Ventures	2,946,683	7,003,800
Exploration and evaluation phases - Other	4,727,757	4,342,020
	7,674,440	11,345,820

Notes to the condensed interim consolidated financial statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Consolidated group	Exploration Joint Venture	Exploration Other	Total
Capitalised tenement expenditure movement reconciliation	$	$	$
Balance at beginning of year	7,003,800	4,342,020	11,345,820
Additions through expenditure	4,911,660	1,261,906	6,173,566
Reductions through joint venture contributions	(3,633,179)	-	(3,633,179)
Write off of tenements relinquished	(99,945)	(558,957)	(658,902)
Transfer to held for sale assets	(5,235,653)	(317,212)	(5,552,865)
Balance at end of year	2,946,683	4,727,757	7,674,440

9. Issued capital

	Consolidated	
	31 Dec 11	30 Jun 11
	$	$
Fully paid ordinary shares	30,816,748	29,213,124
	30,816,748	29,213,124

	Number	$
Ordinary shares		
Balance at beginning of financial period	92,709,018	29,213,124
Shares issued pursuant to share purchase plan at $0.15 per share	10,876,691	1,631,500
Transaction costs on shares issued	-	(27,876)
Balance at end of the financial period	103,585,709	30,816,748

Notes to the condensed interim consolidated financial statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

10. Other components of equity

Foreign currency translation reserve (a)	(132,865)	(130,754)
Available-for-sale revaluation (b)	280,000	338,000
	147,135	207,246

(a) Foreign currency translation reserve

Balance at beginning of financial year	(130,754)	(33,664)
Translation of foreign subsidiary	(2,111)	(97,090)
Balance at end of financial year	(132,865)	(130,754)

(b) Available-for-sale revaluation

Balance at beginning of financial year	338,000	204,719
Revaluation increment/(decrement)	(64,000)	48,000
Transfer to Statement of Comprehensive Income upon sale of available-for-sale investments	1,472	85,281
Transfer to Statement of Comprehensive Income upon impairment of available-for-sale investments	4,528	-
Balance at end of financial year	280,000	338,000

11. Subsequent events

On 17 January 2012, the Company announced that it had completed the sale of its Tunkillia gold project asset to Mungana Goldmines Ltd ('Mungana'). The consideration received was a total of AU $4.0 Million in cash and 3,076,923 Mungana ordinary fully paid shares.

12. Contingent liabilities

There has been no change in contingent liabilities since the last reporting date. It is however noted that the Group has various bank guarantees totaling $175,212.33 at 31 December 2011 which act as collateral over tenements which Minotaur Exploration Ltd operate.

Directors' Declaration

In the opinion of the directors of Minotaur Exploration Ltd:

(a) the consolidated financial statements and notes of Minotaur Exploration Ltd are in accordance with the Corporations Act 2001, including:
   (i) give a true and fair view of its financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

   (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Mr Derek Carter
Chairman

8 March 2012

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF MINOTAUR EXPLORATION LIMITED

We have reviewed the accompanying half-year financial report of Minotaur Exploration Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report
The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Minotaur Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Minotaur Exploration Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

J L Humphrey
Partner

Adelaide, 8 March 2012