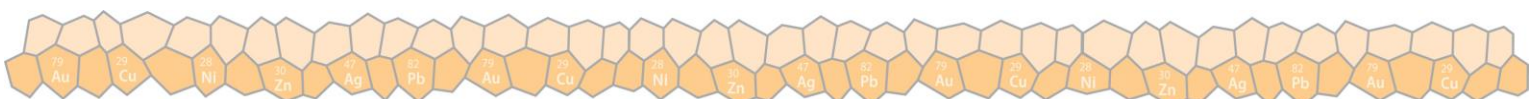




Minotaur Exploration Limited

ABN 35 108 483 601

Interim Financial Report
for the Half Year Ended 31 December 2015



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Corporate Directory

DIRECTORS

Mr Derek Carter *Chairman*

Mr Andrew Woskett *Managing Director*

Dr Antonio Belperio *Executive Director*

Mr Richard Bonython *Non-Executive Director (Resigned 25 November 2015)*

COMPANY SECRETARY

Mr Donald Stephens

REGISTERED OFFICE

C/- HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
Dulwich SA 5065

PRINCIPAL PLACE OF BUSINESS

Level 1, 8 Beulah Road
Norwood SA 5067

SHARE REGISTER

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000

LEGAL ADVISERS

O'Loughlins Lawyers
Level 2, 99 Frome Street
Adelaide SA 5000

BANKERS

National Australia Bank
22-28 King William Street
Adelaide SA 5000

AUDITORS

Grant Thornton Audit Pty Ltd
Level 1, 67 Greenhill Road
Wayville SA 5034

Minotaur Exploration Limited

ACN: 108 483 601

ASX Code: MEP

www.minotaurexploration.com.au

Directors' Report

The directors of Minotaur Exploration Ltd ('Minotaur') 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 2015 and the Independent Review Report thereon.

Director Details

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

Dr Antonio Belperio, *Executive Director*

Mr Richard Bonython, *Non-Executive Director (Resigned 25 November 2015)*

Mr Derek Carter, *Chairman*

Mr Andrew Woskett, *Managing Director*

Review of Operations

Corporate

The Company was able to smoothly manage a restructure of the Top 5 shareholders with the exit of Norilsk Nickel (#1) and Golden Fields Resources (GFR, #4) simultaneously with the introduction of Sprott Group Inc of North America as the new #1 shareholder. Those changes positioned Sprott and others as participants in a private placement and entitlement issue which raised \$2.3 million through the final quarter of 2015.

As a result Minotaur held \$4.9 million in cash and term deposits at the end of December 2015 and is well placed to maintain a reasonable activity level, with joint venture contributions through the remainder of the 2016 financial year expected to total at least \$1 million. The Company's objective is to end calendar 2016 with at least \$2.5 million cash on hand, having regard to the undeniably difficult conditions prevailing in the resources sector as we move in to 2016. Tenement reductions, to reduce holding expenses, are being implemented as renewal dates arise, where ground is not considered core and where the recovery of past exploration investment is considered unlikely.

Project Development

Industrial Minerals Project

Characterisation test work on Poochera kaolin samples continued, focused on high halloysite kaolin for ceramic proppants and other strengthening filler applications. Historic data for the Lake Purdilla gypsum project was recompiled and selectively validated in the field. A maiden JORC estimate will be published in early 2016 giving support to the concept of an adjacent multi commodity port solution, lending impetus to its simultaneous development.

Exploration

Activity focused mainly on copper-gold prospects in Queensland and South Australia, with significant reductions made in expenditure on West Australian nickel prospects in recognition of the 50% collapse in the nickel metal price.

Copper-gold projects in the Cloncurry region, north-west Queensland, continued to be assessed for discovery potential. At the JOGMEC joint venture (MEP 42% and diluting) four geophysical targets generated from earlier surveys were drill tested. While low grade values were reported those targets do not present as sufficiently interesting and new geophysical surveys may be conducted in 2016.

Directors' Report

A new joint venture was implemented with JOGMEC over tenements around the Osborne mine south-east of Cloncurry. Ground EM and IP surveys and an airborne magnetic survey were completed with initial results from electrical geophysics somewhat disappointing.

At the Eloise Copper project (MEP 100%) a series of IP surveys at the 'Artemis' polymetallic system and at similar nearby EM generated targets provided improved responses and significantly increased strike extent of each of the anomalies, indicating potential for larger bodies of sulphide rich mineralisation. With that encouragement the Company sought and secured joint venture participation from OZ Minerals, with work to commence in March 2016.

At the Leinster nickel project in WA (MEP 100%) a single diamond hole was completed to test the 'Valdez' nickel sulphide prospect intersecting low-grade nickel in the ultramafic unit. Downhole EM to further model the conductor has been deferred. A single RC hole to test the 'Horn Deep South' prospect failed to explain the source of the conductive EM response.

In South Australia an innovative geoscience program being managed and funded by the Department of State Development (DSD), in collaboration with Minotaur and the Cooperative Research Centre for Deep Exploration Technologies (DET CRC), was underway on Minotaur's tenements in the Gawler Ranges. A total of 10 holes are planned to test a selection of magnetic anomalies and EM responses for base metal occurrences in greenfields settings within the Gawler Range Volcanics (GRV). Two holes were completed by the end of 2015, one of which provides evidence of low sulphidation epithermal veining within a GRV penetrating fault zone indicating mineralisation potential for gold/silver.

Investments

Minotaur holds the following investments in ASX listed companies as at 31 December 2015:

Company	ASX Code	Shares held as at 31 Dec 2015	Minotaur %
Mithril Resources Ltd	MTH	46,178,572	9.3
Petratherm Ltd	PTR	15,500,000	2.7
Thompson Resources Ltd	TMZ	10,300,000	10.8

The market value of these investments at 31 December 2015 was \$740,893.

Minotaur holds 464,080 shares in Cogonov Inc, an unlisted Canadian company. The fair value of the Group's investment in unlisted shares as at 31 December 2015 was \$Nil.

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 Belperio has a minimum of 5 years experience 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Belperio consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Directors' Report

Auditor's Independence Declaration

The auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 7 for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the directors.



Derek Carter
Chairman

Dated this 9th day of March 2016

Level 1,
67 Greenhill Rd
Wayville SA 5034

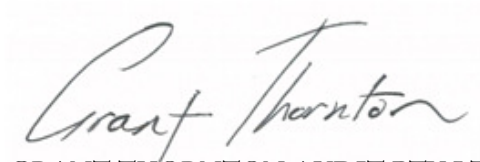
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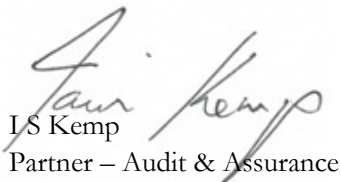
**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MINOTAUR EXPLORATION LIMITED**

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 2015, 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 AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 9 March 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half year ended 31 December 2015**

		Consolidated Group	
	Notes	31 December 2015 \$	31 December 2014 \$
Revenue		131,559	299,009
Loss on disposal of foreign subsidiary	14	-	(73,639)
Other income		242,204	39,847
Impairment of exploration and evaluation assets	5	(9,358,536)	(3,961,439)
Impairment of available-for-sale investments	8	(5,944)	(120,000)
Project generation costs	5	(187,864)	(193,868)
Employee benefits expense		(239,239)	(836,978)
Depreciation expense		(92,771)	(85,587)
Finance costs		(1,262)	(4,304)
Other expenses		(465,800)	(704,498)
Loss before income tax expense		(9,977,653)	(5,641,457)
Income tax benefit		581,683	598,227
Loss for the period		(9,395,970)	(5,043,230)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Gain on available-for-sale investments		240,667	132,955
Total Comprehensive Income for the period		(9,155,303)	(4,910,275)
Loss for the period is attributable to:			
Members of the parent entity		(8,733,933)	(5,040,180)
Non-controlling interest	13	(662,037)	(3,050)
		(9,395,970)	(5,043,230)
Total comprehensive income for the period is attributable to:			
Members of the parent entity		(8,493,266)	(4,907,225)
Non-controlling interest		(662,037)	(3,050)
		(9,155,303)	(4,910,275)
Earnings per share			
Basic earnings per share (cents)		(4.71)	(3.11)
Diluted earnings per share (cents)		(4.71)	(3.11)

**Consolidated Statement of Financial Position
 as at 31 December 2015**

		Consolidated Group	
		31 December	30 June
		2015	2015
		\$	\$
		Notes	
CURRENT ASSETS			
Cash and cash equivalents		4,914,720	4,163,979
Trade and other receivables		241,617	35,330
Other current assets		54,530	166,884
		5,210,867	4,366,193
Held-for-sale assets	7	464,065	4,758,158
TOTAL CURRENT ASSETS		5,674,932	9,124,351
NON-CURRENT ASSETS			
Available-for-sale investments	8	740,893	839,083
Property, plant and equipment		1,043,172	1,161,157
Exploration and evaluation assets	9	10,727,834	13,759,742
TOTAL NON-CURRENT ASSETS		12,511,899	15,759,982
TOTAL ASSETS		18,186,831	24,884,333
CURRENT LIABILITIES			
Trade and other payables	10	1,388,040	935,464
Borrowings		14,505	14,089
Short-term provision		500,253	483,624
TOTAL CURRENT LAIBILITIES		1,902,798	1,433,177
NON-CURRENT LIABILITIES			
Borrowings		402,149	409,507
Long-term provision		31,856	26,391
TOTAL NON-CURRENT LIABILITIES		434,005	435,898
TOTAL LIABILITIES		2,336,803	1,869,075
NET ASSETS		15,850,028	23,015,258
EQUITY			
Issued capital	11	42,256,554	40,781,387
Reserves		1,165,016	1,024,418
Accumulated losses		(27,525,850)	(18,975,019)
PARENT INTEREST		15,895,720	22,830,786
Non-controlling interest	13	(45,692)	184,472
TOTAL EQUITY		15,850,028	23,015,258

**Consolidated Statement of Changes in Equity
for the half year ended 31 December 2015**

	Consolidated Group					
	Issued Capital Ordinary \$	Share Option Reserve \$	Other Components of Equity (Note 12) \$	Accumulated Losses \$	Non- Controlling Interest \$	Total Equity \$
Balance at 1 July 2015	40,781,387	1,024,418	-	(18,975,019)	184,472	23,015,258
<i>Comprehensive income</i>						
Total comprehensive income for the period	-	-	240,667	(8,733,933)	(662,037)	(9,155,303)
Total comprehensive income for the period	-	-	240,667	(8,733,933)	(662,037)	(9,155,303)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Issue of shares through Share Placement	1,574,980	-	-	-	-	1,574,980
Transaction costs (net of tax)	(99,813)	-	-	-	-	(99,813)
Conversion of non-controlling interest loan to equity in controlled entity	-	-	-	-	514,906	514,906
Adjustment upon increase in ownership percentage in controlled entity	-	-	-	83,033	(83,033)	-
Transfer from share option reserve upon lapse of options	-	(100,069)	-	100,069	-	-
	1,475,167	(100,069)	-	183,102	431,873	1,990,073
Balance at 31 December 2015	42,256,554	924,349	240,667	(27,525,850)	(45,692)	15,850,028

Consolidated Statement of Changes in Equity (Continued)
for the half year ended 31 December 2015

	Consolidated Group					
	Issued Capital Ordinary \$	Share Option Reserve \$	Other Components of Equity \$	Accumulated Losses \$	Non- Controlling Interest \$	Total Equity \$
Balance at 1 July 2014	36,874,859	924,589	(125,630)	(13,018,255)	227,999	24,883,562
<i>Comprehensive income</i>						
Total comprehensive income for the period	-	-	132,955	(5,040,180)	(3,050)	(4,910,275)
Foreign currency translation transferred to profit or loss on disposal of foreign subsidiary	-	-	125,630	-	-	125,630
Total comprehensive income for the period	-	-	258,585	(5,040,180)	(3,050)	(4,784,645)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Issue of shares through Share Purchase Plan and Share Placement	3,991,000	-	-	-	-	3,991,000
Transaction costs (net of tax)	(127,640)	-	-	-	-	(127,640)
Options issued under Employee Share Option Plan	-	615,459	-	-	-	615,459
Transfer from share option reserve upon lapse of options	-	(69,743)	-	69,743	-	-
	3,863,360	545,716	-	69,743	-	4,478,819
Balance at 31 December 2014	40,738,219	1,470,305	132,955	(17,988,692)	224,949	24,577,736

**Consolidated Statement of Cash Flows
for the half year ended 31 December 2015**

	Consolidated Group	
	31 December 2015 \$	31 December 2014 \$
Cash flows from operating activities		
Payments to suppliers and employees	(670,843)	(805,598)
Interest received	30,772	59,936
Finance costs	(990)	(6,583)
R&D tax incentive received	988,076	598,227
Net cash provided by/(used in) operating activities	347,015	(154,018)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	38,182	25,000
Payments for property, plant and equipment	(3,815)	(55,132)
Proceeds from sale of available-for-sale investments	637,211	289,650
Payments for available-for-sale investments	(75,000)	(80,000)
Payment for Scotia Project Gold JV interest	(50,000)	-
Joint Venture receipts	761,574	2,147,775
PACE funding received	17,820	-
Payment for exploration activities	(2,612,021)	(4,275,683)
Net cash used in investing activities	(1,286,049)	(1,948,390)
Cash flows from financing activities		
Proceeds from borrowings	-	46,747
Proceeds from the issue of shares	1,574,980	3,991,000
Funds received for conversion into equity in controlled entity	152,653	160,546
Payment of transaction costs for issue of shares	(31,069)	(127,640)
Repayment of borrowings	(6,789)	(24,413)
Net cash provided by financing activities	1,689,775	4,046,240
Net increase/(decrease) in cash and cash equivalents	750,741	1,943,832
Cash at the beginning of period	4,163,979	4,794,173
Cash at the end of the period	4,914,720	6,738,005

Directors' Declaration

Note 1: Nature of operations

The Group's principal activities are to carry out exploration of mineral tenements, to continue to seek extensions of areas held and to seek out new areas with mineral potential and to evaluate results achieved through surface sampling, geophysical surveys and drilling activities.

Note 2: General information and basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2015 and are presented in Australian dollars (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2015 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*. Minotaur is a for profit entity for the purposes of preparing these financial statements.

The interim financial statements have been approved and authorised for issue by the board of directors on 9 March 2016.

Note 3: Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2015.

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

Note 4: Estimates

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, 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 2015.

Directors' Declaration

Note 5: Significant events and transactions

During the period, the Group ceased exploring on and reviewed the carrying value of several exploration tenements and, as a result, these tenements held as exploration and evaluation assets were written-off. The total amount of these write-downs for the period were \$9,358,536.

Project generation costs incurred during the period totaling \$187,864 that do not meet the definition of exploration costs have been immediately expensed.

On 19 November 2015, Minotaur Exploration Ltd issued 22,499,715 fully paid ordinary shares at \$0.07 per share through a Share Placement raising a total of \$1,574,980 (less costs).

Note 6: Operating segments

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Managing Director) in allocating resources and have concluded, due to the Group being solely focused on exploration activity, at this time that there are no separately identifiable segments.

	Consolidated Group	
	31 December 2015 \$	30 June 2015 \$
Note 7: Held-for-sale assets		
Opening balance at beginning of financial year	4,758,158	-
Transfers (to)/from exploration and evaluation assets	(4,338,425)	4,758,158
Additions through expenditure capitalised	44,332	-
	464,065	4,758,158

Held-for-sale assets comprise of the Group's gypsum project located in South Australia.

During the period the marketing process undertaken for the sale of the Group's Scotia and Leinster tenement groups, along with the Group's nickel mining rights and obligations and other mineral royalty rights across 19 tenements in the West Kambalda region of Western Australia, drew to a close. No sale transaction was entered into as a result of this process. These assets have been reclassified to exploration and evaluation assets and their carrying value impaired to \$Nil as at 31 December 2015.

Directors' Declaration

Note 8: Available-for-sale investments	Consolidated Group	
	31 December	30 June
	2015	2015
	\$	\$
At fair value – shares in listed companies:		
Balance at beginning of financial year	839,083	1,127,693
Revaluations	240,667	-
Disposals	(407,913)	(190,231)
Acquisitions	75,000	80,000
Impairment	(5,944)	(178,379)
	740,893	839,083

During the period all of the shares held by the Group in Atherton Resources Ltd (ASX: ATE) were sold for \$615,385 (less costs).

Note 9: Exploration and evaluation assets	Consolidated Group	
	31 December	30 June
	2015	2015
	\$	\$
Exploration, evaluation and development costs carried forward in respect of mining areas of interest:		
Exploration and evaluation phases – Joint Operations	2,155,385	1,740,419
Exploration and evaluation phases – Other	8,572,449	12,019,323
	10,727,834	13,759,742

Capitalised tenement expenditure movement reconciliation – Consolidated Group:

	Exploration Joint Operations	Exploration Other	Total
	\$	\$	\$
Balance at beginning of financial year	1,740,419	12,019,323	13,759,742
Transfers between joint operations and other	1,668,147	(1,668,147)	-
Transfers from held-for-sale assets	-	4,338,425	4,338,425
Additions through expenditure capitalised	1,171,465	1,745,005	2,916,470
Reductions through joint operation contributions	(928,267)	-	(928,267)
Impairment expense	(1,496,379)	(7,862,157)	(9,358,536)
Balance at the end of the period	2,155,385	8,572,449	10,727,834

Directors' Declaration

	Consolidated Group	
	31 December	30 June
	2015	2015
Note 10: Trade and other payables		
	\$	\$
Trade payables	1,006,409	392,045
Other payables	381,631	543,419
	1,388,040	935,464

Other payables include \$363,617 R&D tax incentive repayable following a withdrawal by Minotaur of amounts previously claimed.

	Consolidated Group	
	31 December	30 June
	2015	2015
Note 11: Issued capital		
	\$	\$
202,574,303 (June 2015: 180,074,588) fully paid ordinary shares	42,256,554	40,781,387
	42,256,554	40,781,387

The following is an analysis of Minotaur's fully paid ordinary shares for the half year ended 31 December 2015:

	Number of Shares	\$
Balance at beginning of financial year	180,074,588	40,781,387
Issue of shares through Share Placement	22,499,715	1,574,980
Share issue costs (net of tax)	N/A	(99,813)
Closing balance at end of period	202,574,303	42,256,554

	Consolidated Group	
	31 December	30 June
	2015	2015
Note 12: Other components of equity		
	\$	\$
Foreign currency translation reserve (a)	-	-
Available-for-sale revaluation reserve (b)	240,667	-
	240,667	-

Directors' Declaration

Note 12: Other components of equity (Continued)	Consolidated Group	
	31 December	30 June
	2015	2015
	\$	\$
(a) Foreign currency translation reserve		
Balance at beginning of financial year	-	(125,630)
Translation of foreign subsidiary up to date of disposal	-	6,586
Write-off of foreign currency translation reserve to profit or loss upon disposal of foreign subsidiary	-	119,044
	-	-
(b) Available-for-sale revaluation reserve		
Balance at beginning of financial year	-	-
Revaluation increment	240,667	-
	240,667	-
Note 13: Non-controlling interest		
Balance at beginning of financial year	184,472	227,999
Conversion of non-controlling interest loan to equity in controlled entity	514,906	-
Adjustment upon increase in ownership percentage by controlling entity	(83,033)	-
Net loss attributable to non-controlling interest	(662,037)	(43,527)
	(45,692)	184,472

On 16 November 2015, a loan of \$514,906 from a non-controlling shareholder in Minotaur Gold Solutions Ltd was converted to share capital. On the same date, an intercompany loan of \$617,887 was converted to share capital. This has resulted in Minotaur's share holding percentage in Minotaur Gold Solutions Ltd increasing to 60%.

Directors' Declaration

Note 14: Disposal of foreign subsidiary

On 11 December 2014, the Group executed a Share Purchase Agreement for the sale of all of the shares in its wholly owned foreign subsidiary, Minotaur Atlantic Exploration Ltd to Cogonov Inc in exchange for 200,000 common shares in Cogonov Inc valued at \$52,507 (CAD \$50,000).

The carrying amount of the net assets of Minotaur Atlantic Exploration Ltd recognised as at the date of disposal (11 December 2014) and breakdown of consideration is detailed as follows:

<i>Current assets</i>	\$
Cash and cash equivalents	398
Trade and other receivables	118
Net assets as at date of disposal	516
Consideration received in shares	52,507
Gain on disposal	51,991
Translation of foreign subsidiary up to date of disposal	(6,586)
Write-off of foreign currency translation reserve upon disposal of foreign subsidiary	(119,044)
	(125,630)
Net loss on disposal	(73,639)

Note 15: Fair value measurement of financial instruments

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Directors' Declaration

Note 15: Fair value measurement of financial instruments (Continued)

The Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2015 and 30 June 2015 on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2015				
<i>Assets</i>				
Listed securities	740,893	-	-	740,893
Net fair value	740,893	-	-	740,893

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2015				
<i>Assets</i>				
Listed securities	839,083	-	-	839,083
Net fair value	839,083	-	-	839,083

Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Listed securities

Fair values have been determined by reference to their quoted bid prices at the reporting date.

Fair value of other financial assets and financial liabilities

The carrying amounts of other current and non-current receivables and payables are considered to be a reasonable approximation of their fair value.

Note 16: Contingent assets and liabilities

At the date of signing this report, the Group is not aware of any Contingent Asset or Liability that should be disclosed in accordance with AASB 137. It is however noted that the Company has established various bank guarantees in place with a number of State Governments in Australia, totaling \$277,200 at 31 December 2015 (June 2015: \$272,200). These guarantees are designed to act as collateral over the tenements which Minotaur explores on and can be used by the relevant Government authorities in the event that Minotaur does not sufficiently rehabilitate the land it explores on. It is noted that the bank guarantees have, as at the date of signing this report, never been utilised by any State Government.

Directors' Declaration

Note 17: Controlled entities

Name of entity	Country of incorporation	Ownership interest	
		31 Dec 2015 %	30 June 2015 %
<i>Parent entity</i>			
Minotaur Exploration Limited (i)	Australia		
<i>Subsidiaries</i>			
Minotaur Operations Pty Ltd (ii)	Australia	100	100
Minotaur Resources Investments Pty Ltd (ii)	Australia	100	100
Minotaur Industrial Minerals Pty Ltd (ii)	Australia	100	100
Great Southern Kaolin Pty Ltd (ii)	Australia	100	100
Breakaway Resources Pty Ltd (ii)	Australia	100	100
Scotia Nickel Pty Ltd (ii)	Australia	100	100
Altia Resources Pty Ltd (ii)	Australia	100	100
Levuka Resources Pty Ltd (ii)	Australia	100	100
BMV Properties Pty Ltd (ii)	Australia	100	100
Minotaur Gold Solutions Limited	Australia	60	50

- i) Minotaur Exploration Limited is the head entity within the tax consolidated group.
 ii) These companies are members of the tax consolidated group.

Note 18: Post-reporting date events

As per ASX Release dated 30 November 2015, the Company announced an Entitlement Offer of 1 new share for every 10 shares held at an issue price of \$0.07 for each new share, together with 1 attaching option at no additional cost for every 1 new share issued.

As a result of the successful completion of the Entitlement Offer, the Company issued 7,707,305 fully paid ordinary shares on 8 January 2016 raising a total of \$539,511 (less costs). On the same date 7,707,305 attaching options were issued with an exercise price of \$0.095 and expiring 30 November 2017.

On 8 January 2016, the Company's largest shareholder, Exploration Capital Partners 2014 Limited Partnership (an entity affiliated with Sprott Inc. (TSX: SII)), purchased part of the Entitlement Offer shortfall and was issued 2,010,740 fully paid ordinary shares raising a further \$140,752 (less costs). On the same date 2,010,740 attaching listed options were issued with an exercise price of \$0.095 and expiring 30 November 2017.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future.

Directors' Declaration

1. 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) giving a true and fair view of its financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
 - ii) complying with Accounting Standards 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.

Signed in accordance with a resolution of the directors:



Derek Carter
Chairman

Dated this 9th day of March 2016

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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 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information 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 Minotaur Exploration Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Minotaur Exploration Limited consolidated entity’s financial position as at 31 December 2015 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.

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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.

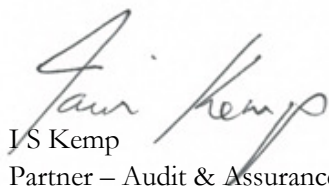
Conclusion

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 2015 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 AUDIT PTY LTD
Chartered Accountants



I.S. Kemp
Partner – Audit & Assurance

Adelaide, 9 March 2016