



MINOTAUR
EXPLORATION

Minotaur Exploration Limited

INTERIM FINANCIAL REPORT

For the Half Year Ended 31 December 2017

Minotaur Exploration Limited

ABN 35 108 483 601

www.minotaurexploration.com.au

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Corporate Directory

DIRECTORS

Dr Antonio Belperio *Executive Director*

Dr Roger Higgins *Non-Executive Chairman*

Mr George McKenzie *Non-Executive Director*

Mr Andrew Woskett *Managing Director*

COMPANY SECRETARY

Mr Varis Lidums

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 ADVISORS

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 3, 170 Frome Street

Adelaide SA 5000

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 2017 and the Independent Auditor's 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*

Dr Roger Higgins, *Non-Executive Chairman*

Mr George McKenzie, *Non-Executive Director*

Mr Andrew Woskett, *Managing Director*

Review of Operations

Corporate

Minotaur received solid support from shareholders when it sought to raise A\$2 million in the second half of the year, with a A\$1 million share purchase plan being 100% oversubscribed, complementing a \$1 million private placement. The A\$2 million infusion had the company end calendar 2017 with A\$3.3 million in cash (previous year A\$2.8 million).

2017 exploration expenditure of A\$6.7 million raised Minotaur's project expenditure pattern (compared to the previous year's A\$5.6 million), where 75% of overall exploration expense was contributed by joint venture parties. Self-funded activity resulted in 2017 cash depletion of A\$2.58 million, partly reflecting Minotaur's ongoing co-investment in frontier exploration around OZ Minerals' Prominent Hill mine in South Australia. Company overheads (A\$0.9 million) represented 13.5% of exploration activity, once again positioning Minotaur in the lowest quartile of corporate expense incurred by junior explorers.

At end December 2017 cash held was A\$3.3 million, placing the Company in a sound position for a similar pace of activity through 2018.

Directors' Report

Project Development

Industrial Minerals Project

Research on innovative uses for halloysite as a natural replacement for carbon nanotubes continued through collaborative projects with the University of South Australia's Future Industries Institute and Nanotechnology Centre. This work is looking at nanotubular properties and potential new technology applications of natural halloysite nanotubes, including energy storage. Additional studies are also being undertaken into purification procedures for upgrading of halloysite in kaolin-halloysite admixtures and the potential for High Purity Alumina processing.

A PACE drilling supported project to investigate potash and other mineral potential of groundwater brines in the western Gawler Ranges and Coober Pedy areas was abandoned because of Native Title land access impediments.

Exploration

Activity continues on copper-gold prospects in Queensland and South Australia.

Several anomalies generated from on-ground EM geophysical surveys in the region of the Osborne mine (south-east of Cloncurry, Queensland) were drill tested during the half year. A Queensland Government exploration incentive grant of \$112,750 was awarded to conduct on-ground geophysical surveys near Osborne, such work to be done in 2018.

At the Eloise joint venture (MEP 100%, OZ Minerals Ltd earning 51%) OZ Minerals' investment in exploration approached A\$5 million by end of calendar 2017. A copper-gold prospect, named Jericho, was outlined just 5km south of the operating Eloise copper-gold mine. Seven diamond holes within three sections along 300m of strike demonstrated consistently wide intercepts exhibiting highly anomalous copper values, with additional potential along 7km of as-yet untested strike. Such strong results from limited scout drilling warrant further investigation from April 2018.

In South Australia a collaborative arrangement with OZ Minerals allowed Minotaur to continue assessment of OZ Minerals' exploration tenements around the Prominent Hill copper mine. Ground based EM surveys along the Skylark Shear Zone (SSZ) provided several drill targets. The Maverick anomaly reported low grade copper (chalcopyrite) mineralisation. The paucity of mineralised intercepts downgrades interest in the SSZ structure. The benefit of further work within the tenements will be assessed.

Directors' Report

Investments

Minotaur holds the following investments in ASX listed companies as at 31 December 2017:

Company	ASX Code	Shares held as at 31 Dec 2017	Minotaur %
Mithrill Resources Ltd	MTH	617,858	0.63
Petratherm Ltd	PTR	2,170,000	2.16
Thompson Resources Ltd	TMZ	12,500,000	12.13

Minotaur also holds 328,121 shares in Chilean Metals Inc (CMX), a Canadian company listed on the TSXV.

The market value of the above investments at 31 December 2017 was \$667,868.

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 2017.

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



Roger Higgins
Chairman

Dated this 20th day of February 2018

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.

Auditor's Independence Declaration



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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 2017. 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, 20 February 2018

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Consolidated Statement of Profit or Loss and other Comprehensive Income

for the half year ended 31 December 2017

Consolidated Group		
Notes	31 December 2017	31 December 2016
	\$	\$
Revenue	137,557	140,145
Other income	46,079	11,743
Impairment of exploration and evaluation assets	5/8 (950,179)	(567,321)
Impairment of available-for-sale investments	7 (19,304)	-
Project generation costs	5 (375,824)	(118,368)
Employee benefits expense	(372,144)	(506,660)
Depreciation expense	(65,053)	(75,104)
Finance costs	(395)	(627)
Other expenses	(438,154)	(455,560)
Loss before income tax expense	(2,037,417)	(1,571,752)
Income tax benefit	442,221	695,475
Loss for the period	(1,595,196)	(876,277)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
(Loss)/Gain on available-for-sale investments	(31,322)	348,568
Total Comprehensive Income for the period	(1,626,518)	(527,709)
Loss for the period is attributed to:		
Members of the parent entity	(1,595,196)	(876,649)
Non-controlling interest	-	372
	(1,595,196)	(876,277)
Total comprehensive income for the period is attributed to:		
Members of the parent entity	(1,626,518)	(528,081)
Non-controlling interest	-	372
	(1,626,518)	(527,709)
Earnings per share		
Basic earnings per share (cents)	(0.70)	(0.41)
Diluted earnings per share (cents)	(0.70)	(0.41)

Notes to the financial statements are included on pages 13 to 19

Consolidated Statement of Financial Position

as at 31 December 2017

		Consolidated Group	
	Notes	31 December 2017	30 June 2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		3,346,468	2,331,267
Trade and other receivables		174,056	704,123
Other current assets		45,215	110,767
TOTAL CURRENT ASSETS		3,565,739	3,146,157
NON-CURRENT ASSETS			
Available-for-sale investments	7	667,868	718,494
Property, plant and equipment		691,085	753,448
Exploration and evaluation assets	8	8,413,783	8,969,026
TOTAL NON-CURRENT ASSETS		9,772,736	10,440,968
TOTAL ASSETS		13,338,475	13,587,125
CURRENT LIABILITIES			
Trade and other payables	9	1,077,042	1,839,818
Short-term provisions		585,078	505,478
TOTAL CURRENT LIABILITIES		1,662,120	2,345,296
NON-CURRENT LIABILITIES			
Borrowings		392,000	392,000
Long-term provisions		30,955	66,365
TOTAL NON-CURRENT LIABILITIES		422,955	458,365
TOTAL LIABILITIES		2,085,075	2,803,661
NET ASSETS		11,253,400	10,783,464
EQUITY			
Issued Capital	10	44,979,434	42,935,000
Reserves	11	1,255,614	1,433,207
Accumulated losses		(34,981,648)	(33,584,743)
TOTAL EQUITY		11,253,400	10,783,464

Notes to the financial statements are included on pages 13 to 19

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2017

	Consolidated Group					Total Equity
	Issued Capital Ordinary	Share Option Reserve	Other Components of Equity (Note 11)	Accumulated Losses	Non-Controlling Interest	
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	42,935,000	1,178,476	254,731	(33,584,743)	-	10,783,464
<i>Comprehensive income</i>						
Total comprehensive income for the period	-	-	(31,322)	(1,595,196)	-	(1,626,518)
Total comprehensive income for the period	-	-	(31,322)	(1,595,196)	-	(1,626,518)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Issues of shares through exercise of listed options	76,489	-	-	-	-	76,489
Issue of shares through share placement	1,000,000	-	-	-	-	1,000,000
Issue of shares through share purchase plan	1,043,422	-	-	-	-	1,043,422
Transaction costs (net of tax)	(75,477)	-	-	-	-	(75,477)
Options issue to Directors of the Company	-	52,020	-	-	-	52,020
Transfer from share option reserve upon lapse of options	-	(198,291)	-	198,291	-	-
	2,044,434	(146,271)	-	198,291	-	2,096,454
Balance at 31 December 2017	44,979,434	1,032,205	223,409	(34,981,648)	-	11,253,400

Notes to the financial statements are included on pages 13 to 19

Consolidated Statement of Changes in Equity (Continued)

for the half year ended 31 December 2017

	Consolidated Group					
	Issued Capital Ordinary	Share Option Reserve	Other Components of Equity (Note 11)	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	42,930,982	836,498	208,146	(29,842,301)	4,197	14,137,522
<i>Comprehensive income</i>						
Total comprehensive income for the period	-	-	348,568	(876,649)	372	(527,709)
Total comprehensive income for the period	-	-	348,568	(876,649)	372	(527,709)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Issues of shares through exercise of listed options	3,746	-	-	-	-	3,746
Options issued to Directors of the Company	-	306,475	-	-	-	306,475
Options issued under Employee Share Option Plan	-	109,280	-	-	-	109,280
Adjustment upon increase in ownership percentage in controlled equity	-	-	-	1,915	(1,915)	-
Transfer from share option reserve upon lapse of options	-	(73,777)	-	73,777	-	-
	3,746	341,978	-	75,692	(1,915)	419,501
Balance at 31 December 2016	42,934,728	1,178,476	556,714	(30,643,258)	2,654	14,029,314

Notes to the financial statements are included on pages 13 to 19

Consolidated Statement of Cash Flows

for the half year ended 31 December 2017

	Notes	Consolidated Group	
		31 December 2017	31 December 2016
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(665,986)	(709,211)
Interest received		5,596	23,147
Finance costs		(395)	(421)
R&D tax incentive received		470,851	695,475
Net cash (used in)/provided by operating activities		(189,934)	8,990
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		4,000	-
Payments for property, plan and equipment		(2,690)	(2,238)
Proceeds from sale on tenements		241,899	-
Payments for available-for-sale investments		-	(33,461)
Joint Venture receipts		2,791,266	1,501,347
Payment for exploration activities		(3,845,145)	(3,120,813)
Net cash used in investing activities		(810,670)	(1,655,165)
Cash flows from financing activities			
Proceeds from the issue of shares		2,119,912	3,746
Payment of transaction costs for issues of shares		(104,107)	-
Repayment of borrowings		-	(7,358)
Net cash provided by/(used in) financing activities		2,015,805	(3,612)
Net increase/(decrease) in cash and cash equivalents		1,015,201	(1,649,787)
Cash at the beginning of the period		2,331,267	4,471,763
Cash at the end of the period		3,346,468	2,821,976

Notes to the financial statements are included on pages 13 to 19

Notes to the Consolidated Financial Statements

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 2017 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 2017 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 20 February 2018.

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 2017.

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 2017.

Notes to the Consolidated Financial Statements

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 \$950,179.

Project generation costs incurred during the period totaling \$375,824 that do not meet the definition of exploration costs have been immediately expensed.

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.

Note 7: Available-for-sale investments

At fair value - shares in listed companies

	Consolidated Group	
	31 December 2017	30 June 2017
	\$	\$
Opening balance	718,494	636,971
Revaluations	(31,322)	76,586
Disposals	-	(155,000)
Initial recognition of listed shares	-	44,221
Acquisitions	-	140,757
Impairments	(19,304)	(25,041)
	667,868	718,494

Note 8: Exploration and evaluation assets

Exploration, evaluation and development costs carried forward in respect of mining areas of interest:

Exploration and evaluation phases - Joint Operations	5,597,913	5,597,913
Exploration and evaluation phases - Other	2,815,870	3,371,113
	8,413,783	8,969,026

Notes to the Consolidated Financial Statements

Note 8: Exploration and evaluation assets (continued)

Capitalised tenement expenditure movement reconciliation - Consolidated Group:

	Exploration Joint Operations	Exploration Other	Total
	\$	\$	\$
Balance at beginning of financial year	5,597,913	3,371,113	8,969,026
Additions through expenditure capitalised	2,481,322	382,706	2,864,028
Reductions through joint operation contributions	(2,469,092)	-	(2,469,092)
Impairment expense	(12,230)	(937,949)	(950,179)
Balance at the end of the period	5,597,913	2,815,870	8,413,783

Note 9: Trade and other payables

	Consolidated Group	
	31 December 2017	30 June 2017
	\$	\$
Trade payables	814,911	1,130,962
Joint operation income received in advance	208,110	253,456
Other payables	54,021	455,400
	1,077,042	1,839,818

Note 10: Issued capital

252,488,374 (June 2017: 212,386,616) fully paid ordinary shares

	44,979,434	42,935,000
	44,979,434	42,935,000

The following is an analysis of Minotaur's fully paid ordinary shares for the half year ended 31 December 2017:

	Number of Shares	\$
Balance at beginning of financial year	212,386,616	42,935,000
Issue of shares through share placement	19,230,772	1,000,000
Issue of shares through share purchase plan	20,065,831	1,043,422
Issue of shares through exercise of listed options	805,155	76,489
Share issue costs (net of tax)	N/A	(75,477)
Closing balance at end of period	252,488,374	44,979,434

Notes to the Consolidated Financial Statements

	Consolidated Group	
	31 December 2017	30 June 2017
Note 11: Other components of equity		
	\$	\$
Share option reserve (a)	1,032,205	1,178,476
Available-for-sale revaluation reserve (b)	223,409	254,731
	1,255,614	1,433,207
(a) Share option reserve		
Balance at beginning of financial year	1,178,476	836,498
Issue of options to employees and officers under employee share option plan	-	109,280
Issue of options to directors of the Company	52,020	306,475
Transfer to retained earnings upon lapse of options	(198,291)	(73,777)
	1,032,205	1,178,476
(b) Available-for-sale revaluations reserve		
Balance at beginning of financial year	254,731	208,146
Net revaluation (decrement)/increment	(31,322)	46,585
	223,409	254,731

During the period unlisted share options were issued to Mr George McKenzie, a director of the Company, under the following terms and conditions:

	Number of Options Issued	Exercise Price	Expiry Date
Unlisted Options issued to Directors of the Company	2,000,000	\$0.25	30/11/2020

All options listed above issued during the period are exercisable at the date the options are issued.

Share-based payments to employees issued under the Company's Employee Share Option Plan are measured at the fair value of the instruments issued and amortised over the vesting periods.

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

Notes to the Consolidated Financial Statements

Note 11: Other components of equity (Continued)

The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The valuation inputs used in determining the fair value at grant date were as follows:

	Options issued to Directors
Share price at grant date:	\$0.095
Expected volatility:	77.06%
Risk free rate:	2.12%
Fair value at grant date:	\$0.026

Note 12: 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).

31 December 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assests at fair value				
<i>Available-for-sale investments</i>				
Listed securities	667,868	-	-	667,868
Net fair value	667,868	-	-	667,868

30 June 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assests at fair value				
<i>Available-for-sale investments</i>				
Listed securities	718,494	-	-	718,494
Net fair value	718,494	-	-	718,494

Notes to the Consolidated Financial Statements

Note 12: Fair value measurement of financial instruments (Continued)

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 13: 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 Group has established various bank guarantees in place with a number of State Governments in Australia, totaling \$162,500 at 31 December 2017 (June 2017: \$165,000). 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.

Note 14: Controlled entities

Name of entity	Country of incorporation	Ownership Interest	
		31 Dec 2017 %	30 June 2017 %
<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
Levua Resources Pty Ltd (ii)	Australia	100	100
BMV Properties Pty Ltd (ii)	Australia	100	100
Minotaur Gold Solutions Pty Ltd (ii)	Australia	100	100

Notes to the Consolidated Financial Statements

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

Note 15: Post-reporting date events

No matter or circumstances has arisen since 31 December 2017 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 2017 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:



Roger Higgins

Chairman

Dated this 20th day of February 2018

Independent Auditor's Review Report



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Independent Auditor's Review Report To the Members of Minotaur Exploration Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Minotaur Exploration Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Minotaur Exploration Limited does not give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors Responsibility for the Half Year Financial Report

The Directors of the Company 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Independent Auditor's Review Report



Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with 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 Company's financial position as at 31 December 2017 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 have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink that reads "I S Kemp".

I S Kemp
Partner – Audit & Assurance

Adelaide, 20 February 2018