



MINOTAUR
EXPLORATION

Annual Report

2015





MINOTAUR
EXPLORATION

CORPORATE DIRECTORY

MINOTAUR EXPLORATION LIMITED

ACN 108 483 601

ASX CODE MEP

DIRECTORS

Mr Derek Carter *Chairman*

Mr Andrew Woskett *Managing Director*

Dr Antonio Belperio *Executive Director*

Mr Richard Bonython *Non-Executive Director*

Mr John Atkins *Non-Executive Director*
(Resigned 30 June 2015)

COMPANY SECRETARY

Mr Donald Stephens

REGISTERED OFFICE

c/o 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 Securities 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 1, 67 Greenhill Road

WAYVILLE SA 5034

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www.minotaurexploration.com.au

This annual report covers both Minotaur Exploration Ltd (ABN 35 108 483 601) as an individual entity and the consolidated group ('Group') comprising Minotaur Exploration Ltd and its subsidiaries. The Group's functional and presentation currency is Australian dollars.

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' Report on *pages 10 to 11*. The Directors' Report is not part of the financial report.

Chairman's Review

DEREK CARTER CHAIRMAN MINOTAUR EXPLORATION LIMITED

Minotaur's policy of sharing risk at the exploration level, through joint venture models, has placed it well during the period of declining commodity prices, depressed share prices and consequent investor fatigue. Acting proactively we have taken steps to conserve cash by slimming overheads, preferencing our exploration spend into core projects, placing non-core assets for sale and working to form new joint venture arrangements.

The Company remains firmly positive about the future for copper as an in-demand commodity, despite the present cyclically low metal price of US\$2.25 per pound.

We consider Minotaur's land positions in South Australia and Queensland provide superior discovery exposure to a rising metal price as existing mines globally draw down on their reserves.

Several years of innovative work in the Cloncurry district has shown distinct promise with recognition of iron sulphide hosted copper-gold systems across numerous areas.

Our work with JOGMEC and then around the Eloise mine area perfectly demonstrates the validity of our exploration toolbox in that region.

The Artemis discovery is a case in point and we are anxious to resume drilling to test for extensions of that deposit in collaboration with a new joint venture partner.

Our track record of success will surely translate through the new financial year into an expansion of joint venture activity across our extensive tenement portfolio, helping to maintain a healthy level of activity and improve the probability of discovery.

Our team is conscientiously focused on leveraging our expertise, both managerial and technical, into Minotaur's physical assets to improve shareholder value.

In this respect I would thank all the Minotaur team for their efforts during the year. They continue to be vigilant to new opportunities in metals that could elevate the Company closer to operating status and see the prospect of an acquisition as a possible pathway to growth warranting ongoing attention.

As Minotaur Exploration moves into its second decade listed on the ASX your Board has confidence in the potential for both our tenements and our team to deliver discovery success and their conversion to economic deposits.



Yours truly,
Derek Carter
Chairman

Managing Director's Report

ANDREW WOSKETT MANAGING DIRECTOR MINOTAUR EXPLORATION LIMITED

Business Review

Minotaur's main focus through the 2015 Financial Year continued to be the identification of copper-gold prospects around the Cloncurry region.

Motivated by drill results from the Artemis polymetallic discovery, the Eloise Copper joint venture committee elected to accelerate the work plan in order to define the mineralised envelope of the discovery lode.

A campaign of diamond drilling and downhole EM ramped-up and continued into the new calendar year. Work had to be suspended, however, in March after it became clear that the joint venture partner's financial ability to continue funding the work plan was exhausted. Ultimately, that culminated in cancellation of the joint venture in June. The enforced activity hiatus detrimentally impacted perception of the discovery's standing in the market to the extent that the Company's share value declined to under half its pre-discovery value.

Despite that project specific funding setback Minotaur's exploration credentials were recognised across multiple fronts by a range of industry peers and geoscience agencies.

The Company was judged Queensland Explorer of the Year 2014 for its activity around Cloncurry. That accolade was reinforced by the award of several drilling grants to test conceptual copper, nickel or gold targets, including:

- The Queensland Geological Survey (QGS) selected Minotaur's Osborne tenements to trial Supermax, an aerial VTEM technique to locate base metal prospects just south of the Cannington mine;
- QGS awarded Minotaur a drilling grant to test the Cassowary target, south of the Osborne mine, for iron oxide copper-gold potential;

- In South Australia the Department of State Development (DSD) selected Minotaur as one of only two companies to participate in the Mineral Systems Drilling Program 2015, a unique government-research-industry collaboration to test discovery concepts within relatively unexplored areas of the Gawler Craton;
- DSD awarded Minotaur a co-funded grant to drill test gold mineralisation along the Mingary lode system west of Broken Hill;
- Models for nickel sulphide targets near Kalgoorlie and Leinster attracted two co-funding grants from the Western Australia Department of Mines' Exploration Incentive Scheme.

Minotaur is honoured that our internal technical expertise has been evaluated, benchmarked and endorsed by various state agencies. It underscores the level of credibility Minotaur has garnered across multiple jurisdictions and mineralisation styles. For Minotaur's shareholders it demonstrates a significant point of difference in a crowded junior sector.

Our 'toolbox' of techniques continues to be refined through experience and is delivering results as demonstrated, for example, in the area around Artemis where recent IP surveys extended the footprint of several geophysical targets.

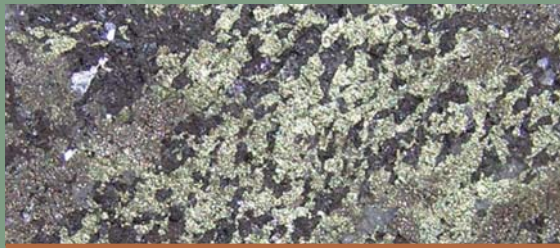
We remain enthusiastic towards copper as a globally significant commodity, contrary to current price pressure due to softening demand from China. We maintain our belief in the discovery potential around Cloncurry and expect to be able to engage new joint venture partners to pursue that vision with us.

Even though 'grassroots' exploration continues to be out of favour with many investors our view is that discoveries will reward effort and quality deposits will reward shareholder support in multiples.

Queensland Explorer of the Year 2014



Artemis discovery: massive sulphide comprising sphalerite (black), Chalcopyrite (yellow), Galena (blue-grey) and Pyrrhotite (bronze).

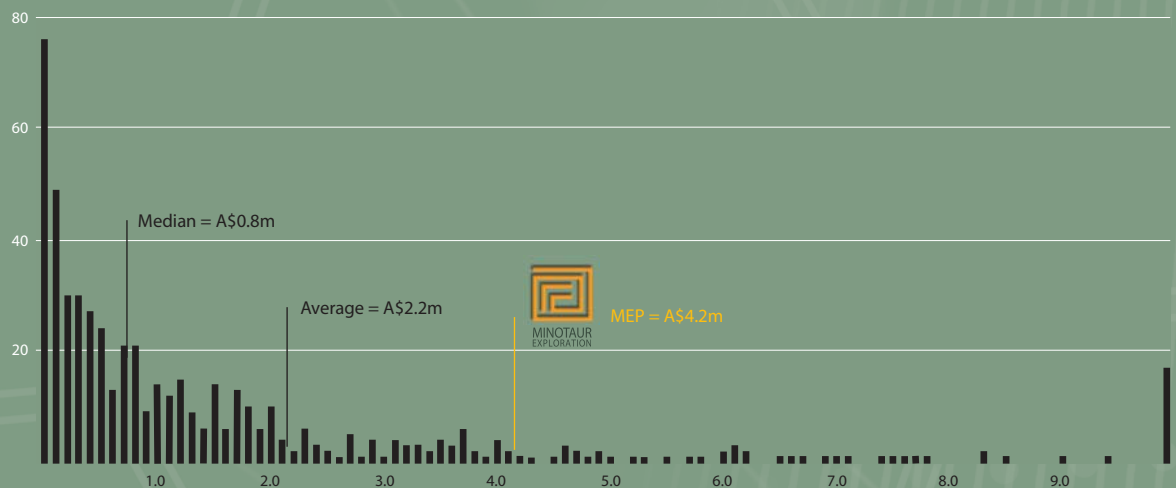


Corporate Review

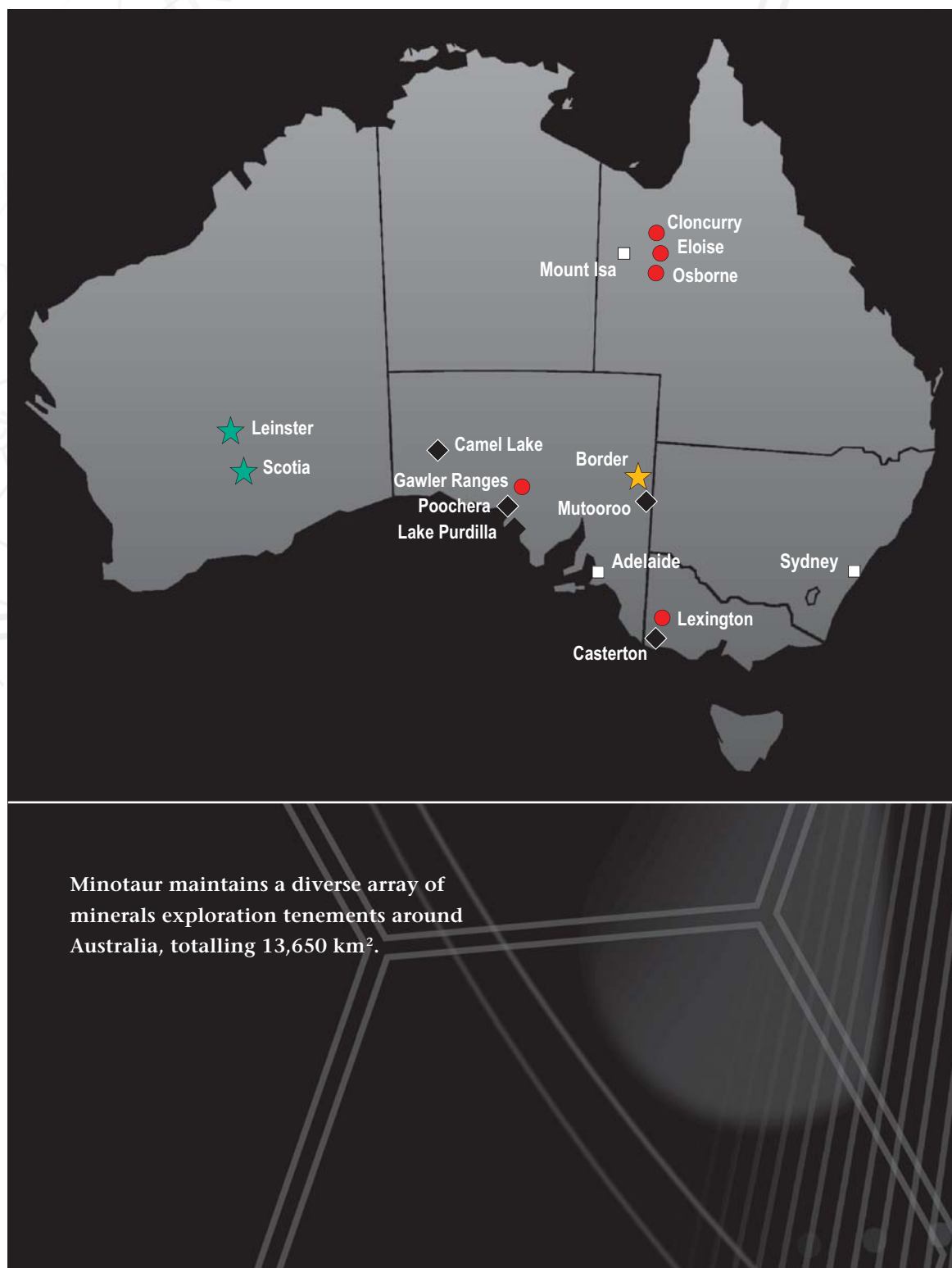
The value of nickel metal fell 50% through the year to a six year low, causing us to minimise expenditure on our nickel tenements in Western Australia. These assets, acquired as a component of the 2013 Breakaway takeover, are now treated as non-core and available for sale.

Minotaur held \$4.17 million in cash and term deposits at the end of June 2015. Joint venture funded projects help contribute towards recovery of overheads, such that net administration costs decreased to 14.5% of total expenses (2014FY; 26%), indicating a continuing point of difference for the Company against many of its peers where overheads represent a disproportionate element of operating costs.

The contrast can be seen in another way. The graphic below locates Minotaur's cash position relative to the universe of ASX listed 'junior miners' (those 535 with a market capitalisation of less than \$50 million). Clearly Minotaur is in a comparatively favourable position referenced to the bulk of companies exposed to severely depleted cash balances and cessation of field activity. To bolster Minotaur's cash base and maintain an active exploration portfolio management is striving to monetise non-core assets and create new joint venture arrangements.



Operations Review: Primary Projects



- Cu projects
- ★ Au projects
- ★ Ni projects
- ◆ Industrial Minerals projects

The Company's principal areas of interest are summarised below:

Cloncurry Region Projects

Minotaur's exploration activity in Queensland is centred on the Cloncurry region where tenements cover approximately 3,800km².

JOGMEC Joint Venture

EPM 8608, 16975, 17286, 18068, 18802, 18861, 19412, 19530, 25862 & EPMA 25889 (except EPM 8608 in relation to which a net smelter royalty of 2% is payable to South32 Limited); (Japan Metals Oil and Gas Corporation, JOGMEC, 55.7%, Minotaur 44.3% and diluting)

Regional Cloncurry Projects

(Minotaur 100% unless noted otherwise)

Ernest Henry Area: EPM 19775

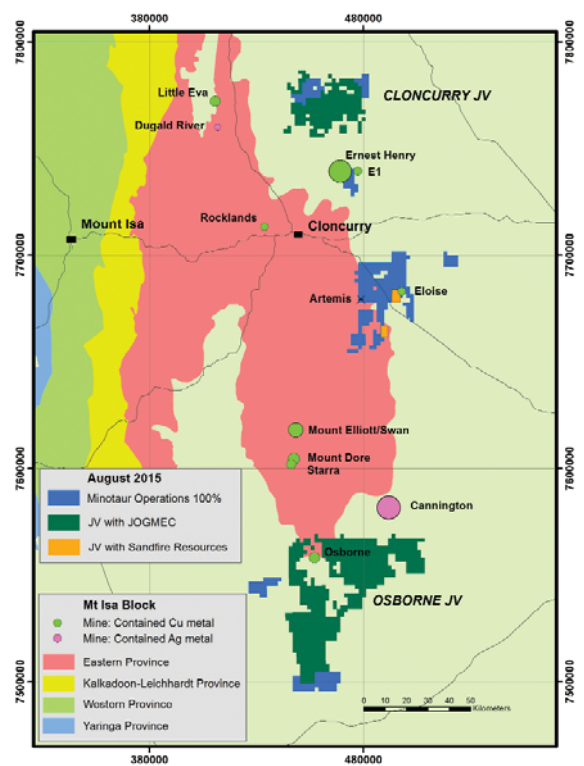
Eloise Area: EPM 18624, 19500, 25237, 25238, 25389, 25801

Eloise Copper Area: EPM 17838, 18442; MDL 431, 432; (on parts of MDL 431, MDL 432 and EPM17838 Sandfire Resources NL is earning 80%)

JOGMEC Osborne JV Area: EPM 18571, 18574, 18575, 18576, 18720, 19061, 19066, 25197, 25699, 25886, 25888 & EPMA 25960; (a new JV with JOGMEC came into effect in August 2015 whereby JOGMEC may earn 51%)

Osborne Area: EPM 18573, EPMA 25856

Regional geology of the eastern Mt Isa Block showing Minotaur tenements relative to select major mines; graded in size with respect to their contained metal content.



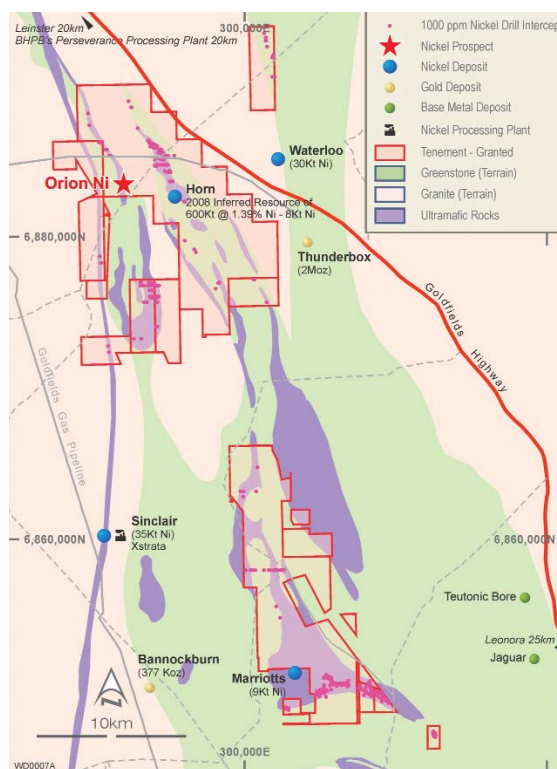
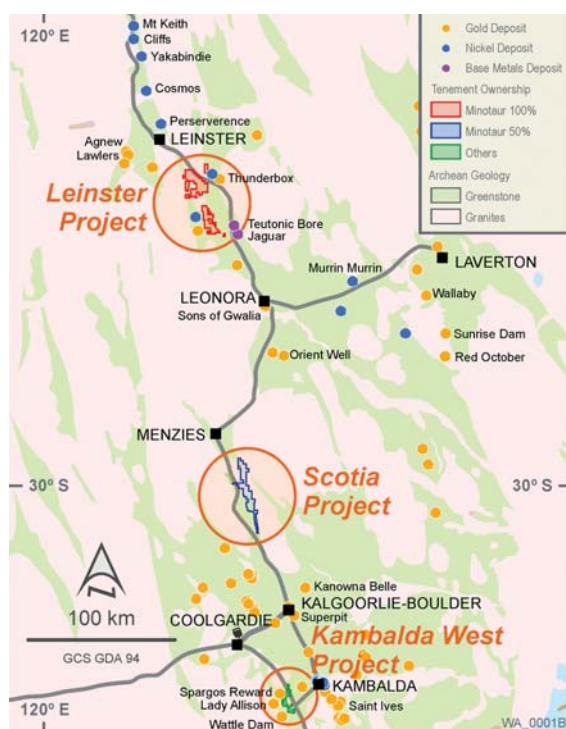
Operations Review: Primary Projects

Western Australia Nickel-Gold Prospects

Minotaur holds tenements along the WA nickel belt, an area where quality of mines and mineral resources is well known. The Company considers these assets to be non-core and available for sale.

Leinster Nickel Belt

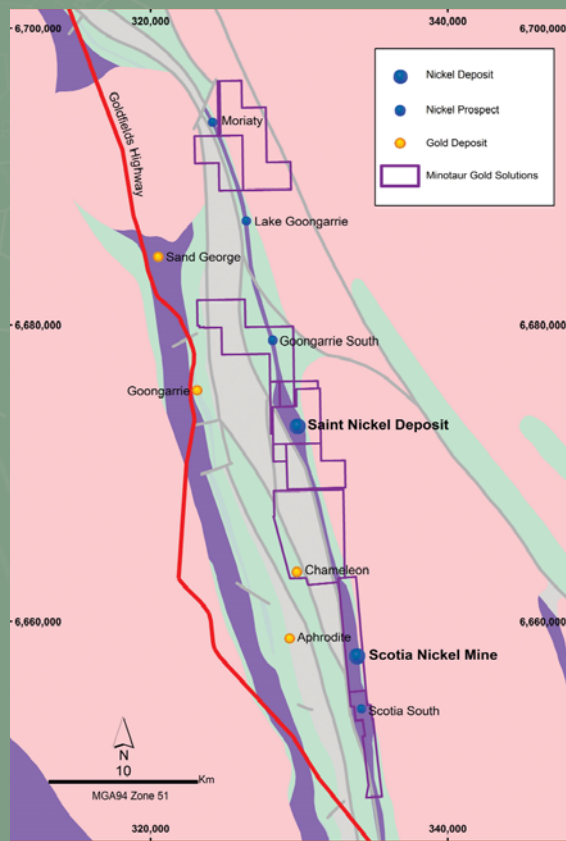
E36/235, E37/909, M36/475, M36/502, M36/511, M36/524, M36/526, M36/548, M37/806, M37/877, M37/878, P37/7170, P37/7370, P37/7371, P37/7372, P37/7373 (Minotaur 100%)



a) Scotia Nickel-Gold Tenements

E29/661, E29/886, M24/279, M24/336, M29/245 & M29/246, P29/2105, P29/2117, P29/2118, P29/2119, P29/2120, P29/2121; (Minotaur Gold Solutions Ltd 100%, of which Minotaur owns 50%)

While these tenements have known nickel and gold deposits and obvious exploration potential the Board of Minotaur Gold Solutions has declared the assets as available for sale. Minimal work is being undertaken to maintain the tenements in good standing.



Competent Persons' Statements

Information in this section 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 (AusIMM). Dr Belperio has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 (JORC Code). Dr Belperio consents to inclusion in this document of the information in the form and context in which it appears.

Other Projects

In addition to its core projects, Minotaur owns or has an interest in a range of other exploration assets in Australia. Activity on selected projects during the financial year is summarised below.

Project Name	Commodity	State	Activities/Commodity
Border (Minotaur 46.4%, Sumitomo 53.6%)	Gold Copper Base metals	SA	A zone of gold mineralisation possibly striking up to 12km from the historic Mingary mine is to be drill tested under a PACE co-funded drilling grant.
Gawler Ranges (Minotaur 100%)	Copper and other base metals	SA	Ground EM surveys over VTEM anomalies refined multiple high-conductance targets at Eagle Rock. Targets are to be diamond drilled by Department of State Development as the primary component of the Mineral Systems Drilling Program 2015.
Industrial Minerals (Minotaur 100%; available for sale assets) Poochera Kaolin deposits Lake Purdilla	Kaolin Gypsum	SA	Project work aimed at attracting new investment into or sale of the assets continues. Close proximity to a future-shipping terminal to serve the Lake Purdilla gypsum deposit enhances the case for export to Asian markets. A large, high quality gypsum deposit for which an export shipping facility study produced positive metrics.

Andrew Woskett
Managing Director

Directors' Report

Diamond drilling, Eloise



Your Directors present their report on the consolidated Group for the financial year ended 30 June 2015.

Director Details

The names of the Directors in office at any time during, or since the end of, the year are:

Mr Derek Carter

Chairman

Mr Andrew Woskett

Managing Director

Dr Antonio Belperio

Executive Director

Mr Richard Bonython

Non-Executive Director

Mr John Atkins

Non-Executive Director (resigned 30 June 2015)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Derek Carter BSc, MSc, FAusIMM (CP)
(Chairman)

Derek Carter has over 40 years experience in exploration and mining geology and management. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold Ltd in 1993.

He is currently Chairman of Minotaur Exploration Ltd and Highfield Resources Ltd and a former Chairman of Petratherm Ltd (resigned 31 March 2014). He is a board member of Intrepid Mines Ltd and a former board member of Mithril Resources Ltd (resigned 31 December 2014) and Toro Energy Ltd (resigned 28 November 2012), all ASX listed companies.

As Chairman of Minotaur Exploration Ltd, he is responsible for the management of the board as well as the general strategic direction of the Company.

Mr Andrew Woskett B Eng, M Comm Law
(Managing Director)

Andrew Woskett has 35 years project and corporate experience in the mining industry. He held senior development responsibility for a variety of Australian mining landmarks in gold, copper, iron ore and coal. He has had several roles as managing director of resource development companies culminating in his tenure as managing director of Minotaur since early 2010.

Andrew is a Fellow of the Australasian Institute of Mining and Metallurgy.

Mr Richard Bonython B Ag Sc
(Non-Executive Director)

Richard Bonython has been a director of Minotaur Exploration and its predecessors since 1994. He has over 45 years experience in the building, rural and mineral industries.

He is a member of the audit committee and is also a former director of Petratherm Ltd (resigned 31 March 2014) and Mithril Resources Ltd (resigned 31 December 2014), both ASX Listed companies.

Dr Antonio Belperio BSc (Hons), PhD, FAusIMM
(Executive Director)

Dr Belperio has an Honours Degree in Geology from the University of Adelaide, a PhD from James Cook University, and a diverse background in a wide variety of geological disciplines, including marine geology, environmental geology and mineral exploration. He has 35 years of experience in university, government and the mineral exploration industry. Dr Belperio is also a Director of Thomson Resources Ltd (ASX code: TMZ) a public company listed on the ASX.

Mr John Atkins LLB, LLM (Non-Executive Director, resigned 30 June 2015)

Mr Atkins was appointed to the Board of Minotaur Exploration Ltd on 20 November 2013. He was the Chairman of Breakaway Resources Ltd immediately prior to it joining the Minotaur Group.

Mr Atkins resigned on 30 June 2015 in preparation for his appointment as Agent General in London for Western Australia.

Director Details

Donald Stephens BACC, FCA

(Company Secretary)

Mr Stephens is a Chartered Accountant and corporate adviser with over 25 years experience in the accounting industry, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He is a Director of Mithril Resources Ltd, Petrathern Ltd, Papyrus Australia Ltd, Lawson Gold Ltd, Reproductive Health Science Ltd, Crest Minerals Ltd and was formerly a Director of TW Holdings Ltd (resigned 14 December 2012). He is additionally Company Secretary to Highfield Resources Ltd, Mithril Resources Ltd and various other public companies.

Review of Operations

Corporate

Matters to note include:

- held \$4.2 million in cash and term deposits at the end of June 2015;
- redefined the Company's focus on copper-gold exploration and discovery; and
- embarked on a sale process for WA nickel assets.

Exploration

Exploration activity primarily focused on copper-gold targets in Queensland and on nickel-gold prospective tenements in Western Australia.

A polymetallic discovery emerged at Artemis, near Cloncurry, where a joint venture with Golden Fields Resources Pty Ltd (GFR) tested several EM anomalies.

Artemis was shown to be a high grade copper-gold-silver-zinc deposit with drill testing to date between 80m and 200m below surface and along 100m of strike. Drilling below the lode to establish repetitions was intended but deferred when GFR was unable to continue with its joint venture contributions. The joint venture was terminated in June 2015.

At the Cloncurry joint venture (MEP 44.3% and diluting, JOGMEC 55.7%) several IOCG targets were drilled to basement. Broad intervals of low grade copper in pyrrhotite-rich breccias continue to be intersected.

The Mingary gold and base metals system in South Australia was upgraded to drill target status with receipt of a PACE co-funded drilling grant.

The structure will be drilled in the new financial year to test continuity of mineralisation along structure.

Minotaur's technical interest in the Gawler Range Volcanics has been rekindled as a result of our work around Cloncurry. Similarities between iron sulphide hosted copper systems, such as Artemis, and the terrane along the southern Gawler Range volcanic belt contact with the lower Hiltaba granite suite suggest potential for base metal mineralisation.

Minotaur's conceptual approach was endorsed by the South Australian Department of State Development (DSD) when DSD selected Minotaur's geophysical targets as prime candidates for the Minerals Systems Drilling Program 2015. That program will cause a number of Minotaur's targets to be drill tested by DSD.

Leinster drilling



A joint venture with GFR over the Leinster nickel-gold tenements in WA tested numerous gold in soil anomalies using shallow RC. Results were generally positive but did not locate a sourcing system for intensive drilling. Joint venture activity was suspended early in the year and the JV was terminated in June. An EM nickel target, 'Valdez' near the historic Waterloo nickel mine, was recognised by the Western Australia Department of Mines as worthy of receipt of a co-funded drilling grant to test for massive sulphide mineralisation.

EM work was conducted across ultramafic contacts at the Saints deposits on the Scotia tenements near Kalgoorlie, indicating the presence of a previously unknown contact zone. Remodeling of the historic drill database highlighted gaps in the drilling where additional resources could be located. With the collapse in the nickel price from US\$18,500 to US\$11,500 per tonne activity was curtailed and expenditure minimised.

Project Development

Industrial minerals

Market assessment of kaolin and gypsum properties and market openings continued towards a trade sale or engaging an in-bound investment partner to fund project development.

Likely developments, business strategies and prospects

Minotaur's focus has further narrowed back onto its copper-gold prospects. Discovery of the Artemis gold-base metals deposit using ground EM techniques gave encouragement to refine a number of nearby similar EM responses. Recent IP surveys pinpointed several new drill prospects and indicated potential to expand the mineralisation footprint at Artemis and the adjacent Sandy Creek deposit. Minotaur holds to discovery as its objective and the opportunity to convert economic grade deposits into mineable propositions.

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 2012 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.

OPERATING RESULTS

The consolidated loss of the Group after providing for income tax amounted to \$6,515,921 (2014: \$2,666,811).

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the Directors in the shares and options of Minotaur Exploration Ltd were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
John Atkins	203,557	-
Derek Carter	2,261,701	-
Antonio Belperio	1,312,750	-
Richard Bonython	1,606,896	-
Andrew Woskett	205,000	2,000,000

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated Group during the financial year were:

- To secure new tenements with potential for mineralisation; and
- To evaluate results achieved through surface sampling, drilling and geophysical surveys carried out during the year.

RISK MANAGEMENT

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Group believes that it is crucial for all Board members to be a part of this process, and as such, the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of performance indicators of both a financial and non-financial nature.

Lake Purdilla Gypsum, crystalline selenite



Minotaur is part of a unique government-research-industry collaboration to test discovery concepts in areas of the Gawler Craton.



SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes occurred during the year.

ENVIRONMENTAL REGULATIONS

The Group is aware of its responsibility to impact as little as possible on the environment and, where there is any disturbance, to rehabilitate sites. During the year the majority of work carried out was in Queensland and the Group followed procedures and pursued objectives in line with guidelines published by the Queensland Government. These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices.

The Group adheres to regulatory guidelines, and any local conditions applicable, both in South Australia and elsewhere. The Group has not been in breach of any State or Commonwealth environmental rules or regulations during the period.

EVENTS SINCE THE END OF THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2015 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future.

UNISSUED SHARES UNDER OPTION

At the date of this report, the following unlisted options to acquire ordinary shares in the Company were on issue:

Issue Date	Expiry Date	Exercise Price	Balance at 1 July 2014	Net Issued/(Exercised or Expired) during the Year	Balance at 30 June 2015
10/05/2010	17/05/2015	\$0.40	4,300,000	(4,300,000)	-
10/05/2010	30/08/2015	\$0.40	1,000,000	-	1,000,000
10/05/2010	27/02/2016	\$0.55	1,000,000	-	1,000,000
30/09/2011	29/09/2016	\$0.21	1,565,000	(520,000)	1,045,000
04/07/2012	03/07/2017	\$0.25	2,095,000	(520,000)	1,575,000
05/07/2013	04/07/2018	\$0.30	2,083,333	-	2,083,333
20/11/2014	19/11/2019	\$0.19	-	5,505,000	5,505,000
			12,043,333	165,000	12,208,333

SHARES ISSUED AS A RESULT OF EXERCISE OF OPTIONS

No shares were issued during the financial year as a result of the exercise of options (2014: Nil).

LAPSE OF OPTIONS

On 17 May 2015, 4,300,000 unlisted options issued to Directors and the Company Secretary were unexercised and expired. In addition, 1,040,000 options issued under the Company's employee share option plan expired during the year due to employee resignations.

NEW OPTIONS ISSUED

On 20 November 2014, the Company issued 5,505,000 unlisted options under the Company's employee share option plan. The options are exercisable at \$0.19 and expire on 19 November 2019.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

To the extent permitted by law, the Company has indemnified (fully insured) each director and the secretary of the Company for an annual premium of \$19,436.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

Remuneration Report – Audited

Drilling rig in the Cloncurry Region



This report outlines the remuneration arrangements in place for Directors and other key management personnel of Minotaur Exploration Ltd.

Remuneration philosophy

The Board is responsible for determining remuneration policies applicable to Directors and senior executives of the Group. The broad policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration consideration is given by the Board to the Group's financial performance.

Employment contracts

The employment conditions of the Managing Director, Mr Andrew Woskett, are formalised in a consultancy agreement. Mr Woskett commenced as a consultant to Minotaur on 1 March 2010 and his annual retainer is \$355,675 per annum, exclusive of GST. The Company may terminate the consultancy agreement without cause by providing three (3) months written notice and paying a severance amount equal to nine (9) months' retainer. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate the agreement at any time.

The employment conditions of the Executive Director, Dr Antonio Belperio, are formalised in a contract of employment. Dr Belperio commenced employment on 1 January 2005 and his gross salary, inclusive of the 9.5% superannuation guarantee is \$281,875 per annum. The Company may terminate the employment contract without cause by providing six (6) months written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

Remuneration Report – Audited

Employment contracts continued

The employment conditions of the Exploration Manager, Mr Glen Little, are formalised in a contract of employment. Mr Little commenced employment on 28 October 2014 and his gross salary, inclusive of the 9.5% superannuation guarantee, is \$192,000 per annum. Mr Little is also entitled to the lease of a motor vehicle, with the total cost to the Company totalling \$20,000 per annum. If in a particular year the cost to the Company is less than \$20,000, the difference will be paid to Mr Little as additional remuneration. The Company may terminate the employment contract without cause by providing one (1) month written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

The employment conditions of the Commercial Manager, Mr Varis Lidums, are formalised in a contract of employment. Mr Lidums commenced employment on 1 March 2011 and his gross salary, inclusive of the 9.5% superannuation guarantee, is \$195,000 per annum. The Company may terminate the employment contract without cause by providing one (1) month written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

Key management personnel remuneration and equity holdings

The Board currently determines the nature and amount of remuneration for Board members and senior executives of the Group. The policy is to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives.

The non-executive directors and other executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and other key management personnel is expensed as incurred. Key management are also entitled to participate in the Group's share option scheme. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates based on comparable companies for time, commitment and responsibilities. The board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

Table 1: Director remuneration for the year ended 30 June 2015 and 30 June 2014

		Short Term Employee Benefits		Post Employment	Share-based Payments	Totals	Performance Based
		Salary & Fees	Bonus	Superannuation	Options	\$	% of Remuneration
John Atkins*	2015	43,836	-	4,164	-	48,000	-
	2014	26,474	-	2,449	-	28,923	-
Derek Carter	2015	91,560	-	-	-	91,560	-
	2014	91,560	-	-	-	91,560	-
Antonio Belperio	2015	257,420	38,613	28,123	-	324,156	12
	2014	261,155	20,399	26,044	-	307,598	7
Richard Bonython	2015	43,899	-	4,170	-	48,069	-
	2014	43,999	-	4,070	-	48,069	-
Andrew Woskett	2015	355,675	62,243	-	-	417,918	15
	2014	349,069	26,453	-	-	375,522	7
Total	2015	792,390	100,856	36,457	-	929,703	11
	2014	772,257	46,852	32,563	-	851,672	6

* On 30 June 2015 Mr John Atkins resigned as a non-executive director of the Company.

Table 2: Remuneration of other key management personnel for the year ended 30 June 2015 and 30 June 2014

		Short Term Employee Benefits		Post Employment	Share-based Payments	Totals	Performance Based
		Salary & Fees	Bonus	Superannuation	Options	\$	% of Remuneration
Ian Garsed*	2015	41,958	-	1,800	-	43,758	-
	2014	172,490	12,013	23,622	-	208,125	6
Varis Lidums	2015	178,082	30,137	19,781	50,310	278,310	11
	2014	178,490	14,016	17,807	-	210,313	7
Glen Little**	2015	116,221	-	11,041	111,800	239,062	-
	2014	-	-	-	-	-	-
Donald Stephens***	2015	-	-	-	-	-	-
	2014	-	-	-	-	-	-
Total	2015	336,261	30,137	32,622	162,110	561,130	5
	2014	350,980	26,029	41,429	-	418,438	6

* Ian Garsed: On 8 August 2014 Ian Garsed resigned as an employee of Minotaur Exploration Ltd.

** Glen Little: On 28 October 2014 Glen Little was employed by Minotaur Exploration Ltd.

Other transactions with key management personnel

*** Donald Stephens: HLB Mann Judd (SA) Pty Ltd received professional fees for accounting, taxation and secretarial services provided during the year amounting to \$67,553 (2014: \$116,612) (inclusive of GST). Donald Stephens, the Company Secretary, is a consultant with HLB Mann Judd (SA) Pty Ltd.

Bonuses

During the 2015 financial year a number of Minotaur's key management personnel received a cash bonus in respect of meeting key performance targets agreed by the Board.

Bonuses are paid at the discretion of the Board. All available bonuses to directors and other key management personnel were paid during the year.

Share-based remuneration

Options may be granted to Key Management Personnel at the discretion of the Board under an Employee Share Option Plan.

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements. All options expire on the earlier of their expiry date or termination of the individual's employment.

Remuneration Report – Audited

Options held by key management personnel for the year ended 30 June 2015

Directors	Balance at beginning of period	Granted as remuneration	Exercised	Net change other	Balance at end of period	Expiry date	First exercise date
Derek Carter	1,200,000	-	-	(1,200,000)	-	17/05/15	18/05/10
Antonio Belperio	900,000	-	-	(900,000)	-	17/05/15	18/05/10
Richard Bonython	900,000	-	-	(900,000)	-	17/05/15	18/05/10
Andrew Woskett	1,000,000	-	-	-	1,000,000	30/08/15	30/08/10
Andrew Woskett	1,000,000	-	-	-	1,000,000	27/02/16	28/02/11
Other key management							
Ian Garsed	250,000	-	-	(250,000)	-	29/09/16	30/09/12
Ian Garsed	250,000	-	-	(250,000)	-	03/07/17	04/07/12
Varis Lidums	250,000	-	-	-	250,000	29/09/16	30/09/12
Varis Lidums	250,000	-	-	-	250,000	03/07/17	04/07/12
Varis Lidums	-	450,000	-	-	450,000	21/11/19	20/11/14
Glen Little	-	1,000,000	-	-	1,000,000	21/11/19	20/11/14
Donald Stephens	400,000	-	-	(400,000)	-	17/05/15	18/05/10

Shares held by key management personnel for the year ended 30 June 2015

Directors	Balance at 1 July 2014	On exercise of options	Net change other	Balance 30 June 2015
John Atkins	98,661	-	104,896	203,557
Derek Carter	2,156,805	-	104,896	2,261,701
Antonio Belperio	838,062	-	474,688	1,312,750
Richard Bonython	1,502,000	-	104,896	1,606,896
Andrew Woskett	-	-	205,000	205,000
Other key management				
Ian Garsed	-	-	-	-
Varis Lidums	-	-	-	-
Glen Little	-	-	-	-
Donald Stephens	305,000	-	-	305,000

Lake Moriaty, Scotia Project



Use of remuneration consultants

During the financial year, there were no remuneration recommendations made in relation to key management personnel for the Company by any remuneration consultants.

Voting and comments made at the Company's 2014 Annual General Meeting

Minotaur Exploration Ltd received more than 95.7% of "yes" votes on its remuneration report for the 2014 financial year by proxy.

The Company did not receive any feedback at the Annual General Meeting on its remuneration report.

End of audited remuneration report.

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Director	Directors' Meetings		Audit Committee	
	Eligible	Attended	Eligible	Attended
Derek Carter	7	6	-	-
Andrew Woskett	7	7	-	-
Richard Bonython	7	7	2	2
Antonio Belperio	7	7	2	2
John Atkins	7	6	-	-

Proceeds on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Non-audit services

During the year, Grant Thornton, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in *Note 23* to the Financial Statements.

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on *page 20* of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors:

Derek Carter
Chairman

Dated this 19th day of August 2015

Auditor's Independence Declaration

TO THE DIRECTORS OF MINOTAUR EXPLORATION LIMITED



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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 audit of Minotaur Exploration Limited for the year ended 30 June 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

A stylized, handwritten-style signature of the Grant Thornton firm.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature of J S Kemp.

J S Kemp
Partner – Audit & Assurance

Adelaide, 19 August 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
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MINOTAUR
EXPLORATION

Financial Report

for the year ended 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated Group	
	Note	2015 \$	2014 \$
Revenue	4(a)	423,471	524,036
Loss on disposal of foreign subsidiary	4(c)	(73,639)	-
Other income	4(b)	51,882	197,304
Impairment of exploration and evaluation assets	4(d)	(4,808,019)	(762,812)
Impairment of available-for-sale investments	4(d)	(178,379)	(722,097)
Project generation costs	4(d)	(374,122)	(1,143,699)
Employee benefits expense	4(e)	(787,398)	(316,962)
Depreciation expense	4(d)	(192,820)	(184,356)
Finance costs	4(d)	(5,718)	(8,494)
Other expenses	4(f)	(1,126,238)	(1,397,209)
Loss before income tax expense		(7,070,980)	(3,814,289)
Income tax benefit	5	555,059	1,147,478
Loss for the year		(6,515,921)	(2,666,811)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Write-off of foreign currency translation reserve upon disposal of foreign subsidiary	19(b)	125,630	-
Exchange differences arising on translation of foreign operations	19(b)	-	917
Fair value gains on available-for-sale assets, net of tax	19(c)	-	60,000
Total comprehensive income for the year		(6,390,291)	(2,605,894)
Loss for the year is attributable to:			
Members of the parent entity	20	(6,472,394)	(2,596,370)
Non-controlling interest	21	(43,527)	(70,441)
		(6,515,921)	(2,666,811)
Total comprehensive income for the year is attributable to:			
Members of the parent entity		(6,346,764)	(2,535,453)
Non-controlling interest		(43,527)	(70,441)
		(6,390,291)	(2,605,894)
Earnings per share			
Basic earnings per share (cents)	6	(3.81)	(1.94)
Diluted earnings per share (cents)	6	(3.81)	(1.94)

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position AS AT 30 JUNE 2015

		Consolidated Group	
	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	7	4,163,979	4,794,173
Trade and other receivables	8	35,330	44,499
Other current assets	9	166,884	102,304
		4,366,193	4,940,976
Held-for-sale assets	10	4,758,158	-
TOTAL CURRENT ASSETS		9,124,351	4,940,976
NON-CURRENT ASSETS			
Available-for-sale investments	11	839,083	1,127,693
Property, plant and equipment	12	1,161,157	1,243,968
Exploration and evaluation assets	13	13,759,742	19,243,007
TOTAL NON-CURRENT ASSETS		15,759,982	21,614,668
TOTAL ASSETS		24,884,333	26,555,644
CURRENT LIABILITIES			
Trade and other payables	15	935,464	677,897
Borrowings	16	14,089	114,386
Short-term provisions	17	483,624	455,340
TOTAL CURRENT LIABILITIES		1,433,177	1,247,623
NON-CURRENT LIABILITIES			
Borrowings	16	409,507	392,000
Long-term provisions	17	26,391	32,459
TOTAL NON-CURRENT LIABILITIES		435,898	424,459
TOTAL LIABILITIES		1,869,075	1,672,082
NET ASSETS		23,015,258	24,883,562
EQUITY			
Issued capital	18	40,781,387	36,874,859
Reserves	19	1,024,418	798,959
Accumulated losses	20	(18,975,019)	(13,018,255)
PARENT INTEREST		22,830,786	24,655,563
Non-controlling interest	21	184,472	227,999
TOTAL EQUITY		23,015,258	24,883,562

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2015

Consolidated Group						
Note	Issued Capital Ordinary \$	Share Option Reserve \$	Other Components of Equity (Note 19) \$	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 loss for the year	-	-	-	(6,472,394)	(43,527)	(6,515,921)
Write-off of foreign currency translation reserve upon disposal of foreign subsidiary	-	-	125,630	-	-	125,630
Total comprehensive income for the year	-	-	125,630	(6,472,394)	(43,527)	(6,390,291)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Issue of shares through Share Purchase plan and Share Placement	18	3,991,000	-	-	-	3,991,000
Transaction costs (net of tax)		(84,472)	-	-	-	(84,472)
Options issued under Employee Share Option Plan	19(a)	-	615,459	-	-	615,459
Transfer from share option reserve upon lapse of options	19(a)	-	(515,630)	515,630	-	-
	3,906,528	99,829	-	515,630	-	4,521,987
Balance at 30 June 2015	40,781,387	1,024,418	-	(18,975,019)	184,472	23,015,258
Balance at 1 July 2013	31,572,748	1,013,175	(186,547)	(10,510,471)	298,440	22,187,345
<i>Comprehensive income</i>						
Total loss for the year	-	-	-	(2,596,370)	(70,441)	(2,666,811)
Other comprehensive income for the year	-	-	60,917	-	-	60,917
Total comprehensive income for the year	-	-	60,917	(2,596,370)	(70,441)	(2,605,894)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Fair value of shares issued for services	18	100,155	-	-	-	100,155
Issue of shares for acquisition of Breakaway	26	5,218,211	-	-	-	5,218,211
Transaction costs (net of tax)		(16,255)	-	-	-	(16,255)
Transfer from share option reserve upon lapse of options	19(a)	-	(88,586)	88,586	-	-
	5,302,111	(88,586)	-	88,586	-	5,302,111
Balance at 30 June 2014	36,874,859	924,589	(125,630)	(13,018,255)	227,999	24,883,562

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated Group	
	Note	2015	2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		253,056	265,608
Payments to suppliers and employees		(1,720,064)	(2,582,070)
Interest received		109,838	310,265
Finance costs		(5,718)	(8,494)
R&D tax concession received		598,227	1,147,478
NET CASH USED IN OPERATING ACTIVITIES	7	(764,661)	(867,213)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired through acquisition of Breakaway		-	490,259
Payments for property, plant and equipment		(124,177)	(505,372)
Proceeds from sale of property, plant and equipment		25,001	-
Purchase of available-for-sale investments		(80,000)	(85,000)
Proceeds from sale of available-for-sale investments		326,989	364,463
Purchase of exploration and evaluation assets		-	(600,000)
Joint venture receipts		3,794,983	2,659,824
Payment for exploration activities		(7,951,152)	(6,273,988)
NET CASH USED IN INVESTING ACTIVITIES		(4,008,356)	(3,949,814)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares through Share Purchase Plan and share placement		3,991,000	-
Funds received from GFR		362,253	-
Payment of transaction costs for issue of shares		(127,640)	(16,255)
Proceeds from borrowings		46,747	392,000
Repayment of borrowings		(129,537)	(35,098)
NET CASH PROVIDED BY FINANCING ACTIVITIES		4,142,823	340,647
NET DECREASE IN CASH AND CASH EQUIVALENTS		(630,194)	(4,476,380)
Net foreign exchange differences		-	917
Cash at the beginning of the year		4,794,173	9,269,636
CASH AT THE END OF THE YEAR	7	4,163,979	4,794,173

The above statement should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

These consolidated financial statements and notes represent those of Minotaur Exploration Ltd and Controlled Entities (the "consolidated Group" or "Group").

The separate financial statements of the parent entity, Minotaur Exploration Ltd, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Minotaur Exploration Limited is the Group's Ultimate Parent Company. Minotaur Exploration Limited is a Public Company incorporated and domiciled in Australia. The address of its registered office is C/- HLB Mann Judd (SA) Pty Ltd, 169 Fullarton Road, Dulwich SA 5065 and its principal place of business is Level 1, 8 Beulah Road, Norwood SA 5067.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated financial statements for the year ended 30 June 2015 were approved and authorised for issue by the Board of Directors on 19 August 2015.

a) Principle of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Minotaur Exploration Ltd at the end of the reporting period. The parent entity controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 25 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Non-controlling interests

Non-controlling interests (i.e. equity in a subsidiary not attributable directly or indirectly to a parent) are present in the consolidated statement of financial position within equity separately from the equity of the owners of the parent.

b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- a) a legally enforceable right of set-off exists; and
- b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

The parent entity and its Australian wholly-owned entities are part of a tax-consolidated group under Australian taxation law. The head entity within the tax consolidation group for the purposes of the tax consolidation system is Minotaur Exploration Ltd.

Minotaur Exploration Ltd and each of its own wholly-owned subsidiaries recognise the current and deferred tax assets and deferred tax liabilities applicable to the transactions undertaken by it, after elimination of intra-group transactions. Minotaur Exploration Ltd recognises the entire tax-consolidated group's retained tax losses.

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

Land and buildings

Buildings are measured on the cost basis and therefore carried at cost less accumulated depreciation for buildings and any accumulated impairment. In the event the carrying amount of buildings is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line and diminishing value basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful life for each class of depreciable assets are:

Class of Fixed Asset	Useful life
Leasehold improvements	3 – 7 years
Plant and equipment	2 - 20 years
Motor Vehicles	6 - 10 years

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c) Property, Plant and Equipment *Depreciation*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the lease term.

f) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

ii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

g) Investments in Associates and Joint Ventures

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly). Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

h) Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

h) Business Combinations

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.

i) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

j) Employee Benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds (2014: government bonds) that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

Equity-settled compensation

The Group operates an employee share option plan. Share-based payments to employees 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.

The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 6 months or less, and bank overdrafts.

Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

m) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30-90 days of recognition of the liability.

o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

q) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

s) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

i) Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

ii) Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the year at \$13,759,742 (2014: \$19,243,007).

t) Changes in accounting policies

New and amended standards adopted by the Group

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2014. Information on these new standards is presented below.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- clarify that the definition of a ‘related party’ includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amended AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011-2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

u) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

AASB 9 Financial Instruments (December 2014)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are:

- a) Financial assets that are debt instruments will be classified based on:
 - i) the objective of the entity's business model for managing the financial assets; and
 - ii) the characteristics of the contractual cash flows.
- b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.
- d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
 - the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI); and
 - the remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

The Group is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the Group's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 15 Revenue from Contracts with Customers

- replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:
 - establishes a new revenue recognition model
 - changes the basis for deciding whether revenue is to be recognised over time or at a point in time
 - provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)
 - expands and improves disclosures about revenue

In May 2015, the AASB issued ED 260 Income of Not-for-Profit Entities, proposing to replace the income recognition requirements of AASB 1004 Contributions and provide guidance to assist not-for-profit entities to apply the principles of AASB 15.

The Group is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the Group's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.

AASB 2014-1 Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14)

Part D of AASB 2014-1 makes consequential amendments arising from the issuance of AASB 14.

When these amendments become effective for the first time for the year ending 30 June 2017, they will not have any impact on the Group.

AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)

Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018.

Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 Hedge Accounting into AASB 9 and to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

u) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)

The Group is yet to undertake a detailed assessment of the impact of these amendments. However, based on the Group's preliminary assessment, these amendments are not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations

The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 Business Combinations, should:

- apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
- provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate.

This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances:

- The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
- When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15

AASB 2014-5 incorporates the consequential amendments arising from the issuance of AASB 15.

When these amendments become effective for the first time for the year ending 30 June 2017, they will not have any impact on the Group.

AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9.

The Group is yet to undertake a detailed assessment of the impact of these amendments. However, based on the Group's preliminary assessment, these amendments are not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted.

AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)

AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 [December 2009] and AASB 9 [December 2010]) from 1 February 2015.

The Group is yet to undertake a detailed assessment of the impact of these amendments. However, based on the Group's preliminary assessment, these amendments are not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted.

AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations.

Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business. This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method.

Corresponding amendments have also been made to AASB 128 (2011).

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle

These amendments arise from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle in September 2014 by the IASB.

Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB5 Non-current Assets Held for Sale and Discontinued Operations does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order
- remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

v) Changes in Accounting Estimates

During the current reporting period, the Group changed the discount rate used in measuring its Australian dollar dominated defined benefit obligations and other long term employee benefits from the Australian government bond rate to the high quality corporate bond rate.

This change was necessitated by developments in the Australian business environment that confirmed there is a sufficiently observable, deep and liquid market in high quality Australian corporate bonds to satisfy the requirements in AASB 119 *Employee Benefits*.

The Group has concluded that this change is a change in accounting estimate in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

	2015 \$	2014 \$
2 PARENT INFORMATION		
Assets		
Current assets	3,698,381	4,355,400
Non-current assets	20,476,408	21,704,736
	24,174,789	26,060,136
Liabilities		
Current liabilities	723,633	752,115
Non-current liabilities	435,898	424,459
	1,159,531	1,176,574
Equity		
Issued capital	40,781,387	36,874,859
Reserves – Share option	1,024,418	924,588
Retained earnings	(18,790,547)	(12,915,885)
	23,015,258	24,883,562
Financial performance		
Loss for the year	(5,359,032)	(2,517,307)
Other comprehensive income	-	-
	(5,359,032)	(2,517,307)

Guarantees

Minotaur Exploration Ltd has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent Liabilities

Contingent liabilities of the parent entity have been incorporated into the Group information in Note 24. The contingent liabilities of the parent are consistent with that of the Group.

Contractual Commitments

Contractual Commitments of the parent entity have been incorporated into the Group information in Note 22. The contractual commitments of the parent are consistent with that of the Group.

3 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	
	2015	2014
	\$	\$
4 REVENUE AND EXPENSES		
a) Revenue		
Administration fees	246,899	264,382
Rent received	68,220	57,110
Bank interest received or receivable	108,352	202,544
	423,471	524,036
b) Other income		
Net loss on disposal of tenements	-	(489)
Net gains on disposal of available-for-sale investments	20,725	194,533
Net gains on disposal of property, plant and equipment	25,001	-
Other income	6,156	3,260
	51,882	197,304

c) Loss on 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).

As at 30 June 2015, the fair value of shares held in Cogonov Inc is \$Nil.

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:

Current assets	\$
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)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

4 REVENUE AND EXPENSES

	Consolidated Group	
	2015 \$	2014 \$
d) Expenses		
<i>Impairment of non-current assets</i>		
Impairment of exploration and evaluation assets	4,808,019	762,812
Impairment of available-for-sale financial assets	178,379	722,097
Total impairment of non-current assets	4,986,398	1,484,909
<i>Project generation costs</i>		
Project generation costs	374,122	1,143,699
Total project generation costs	374,122	1,143,699
<i>Depreciation of non-current assets</i>		
Buildings	7,937	-
Leasehold improvements	93,635	93,635
Plant and equipment	57,228	59,245
Motor vehicles	34,020	31,476
Total depreciation of non-current assets	192,820	184,356
<i>Finance expenses</i>		
Finance costs	150	180
Interest applicable to hire-purchase contracts	5,568	8,314
Total finance expenses	5,718	8,494
e) Employee benefits expense		
Wages, salaries, directors fees and other remuneration expenses	2,815,081	2,742,140
Superannuation expense	210,843	187,826
Transfer to/(from) annual leave provision	9,425	(13,919)
Transfer to/(from) long service leave provision	12,791	29,339
Employee share options expense	615,459	-
Transfer to exploration assets	(2,876,201)	(2,628,424)
	787,398	316,962
f) Other expenses		
Secretarial, professional and consultancy	381,869	651,488
Employee taxes and levies	143,899	116,666
Occupancy costs	283,511	261,748
Insurance costs	72,086	63,861
ASX/ASIC costs	34,894	37,492
Share register maintenance	46,028	57,713
Communication costs	15,030	27,040
Promotion and seminars	44,659	43,304
Audit fees	46,100	37,826
Other expenses	58,162	100,071
	1,126,238	1,397,209

	Consolidated Group	
	2015	2014
	\$	\$
5 INCOME TAX BENEFIT		
The major components of income tax benefit are:		
Statement of comprehensive income		
Current income tax		
Current income tax charge	-	-
Tax portion of capital raising costs	43,168	-
Research and development tax concession	(598,227)	(1,147,478)
Income tax benefit reported in the income statement	(555,059)	(1,147,478)
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting (loss)/profit before income tax	(7,070,980)	(3,814,289)
At the Group's statutory income tax rate of 30% (2014: 30%)	(2,121,294)	(1,144,287)
Immediate write-off of exploration expenditure	(1,332,030)	(1,122,056)
Expenditure not allowable for income tax purposes	1,753,815	816,690
Non-assessable income	-	(2,166)
Tax losses not recognised due to not meeting recognition criteria	1,699,509	1,451,819
	-	-

The Group has tax losses arising in Australia of \$83,647,892 (2014: \$79,222,711) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. In addition, the Group has \$2,323,426 (2014: \$2,532,821) capital losses available. These losses include \$72,537,535 tax losses and \$2,353,426 capital losses transferred to the tax consolidated group on the acquisition of Breakaway Resources Ltd's income tax consolidated group from 5 December 2013. The utilisation of these losses acquired will be restricted to the available fraction of 0.287.

Tax consolidation

Minotaur Exploration Ltd and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 5 February 2005. Minotaur Exploration Ltd is the head entity of the tax consolidated Group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

6 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated Group	
	2015	2014
Net loss attributable to ordinary equity holders of the parent	(\$6,515,921)	(\$2,666,811)
Weighted average number of ordinary shares for basic earnings per share	170,936,993	137,614,845
<i>Effect of dilution</i>		
Share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	170,936,993	137,614,845

In accordance with AASB 133 'Earnings per Share', as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account for 2015.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	Consolidated Group	
	2015	2014
	\$	\$

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents

Cash at bank and on hand	1,684,251	242,175
Short-term deposits	2,479,728	4,551,998
	4,163,979	4,794,173

Included in cash at bank is \$272,200 relating to deposits to secure tenements and rental tenancy and as such is restricted for this use.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods between one month and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rate.

Reconciliation to Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June:

Cash at banks and on hand	1,684,251	242,175
Short-term deposits	2,479,728	4,551,998
	4,163,979	4,794,173

7 CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2015	2014
	\$	\$
Reconciliation of net loss after tax to net cash flows from operations		
Net loss	(6,515,921)	(2,666,811)
<i>Adjustments for non-cash items:</i>		
Depreciation	192,820	184,356
Impairment of non-current assets and project generation costs	5,360,519	2,628,608
loss on sale of foreign subsidiary	73,639	-
Net gain on disposal of property plant and equipment, available-for-sale financial instruments and tenements	(45,726)	(194,533)
Share options expensed	615,459	-
Shares issued for services – refer to Note 18	-	100,155
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(64,462)	114,955
(Increase)/decrease in prepayments	4,114	(18,418)
(Decrease)/increase in trade and other payables	(407,319)	(1,004,292)
(Decrease)/increase in employee provisions	22,216	(11,233)
Net cash used in operating activities	(764,661)	(867,213)

8 TRADE AND OTHER RECEIVABLES

Trade receivables (i)	35,330	44,499
	35,330	44,499

Information regarding the credit risk of current receivables is set out in Note 28.

- i) Trade receivables are non-interest bearing and are generally on 30-90 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. No impairment was recognised in 2014 and 2015 and no receivables are past due at balance date.

9 OTHER CURRENT ASSETS

Prepayments	69,791	73,905
Accrued income	76,613	11,299
Other	20,480	17,100
	166,884	102,304

10 HELD-FOR-SALE ASSETS

Opening balance	-	-
Transfers from exploration and evaluation assets	4,758,158	-
	4,758,158	-

Held-for-sale assets primarily comprise of the Group's Scotia and Leinster projects located in Western Australia and the Group's gypsum project located in South Australia. In addition, the Group holds certain nickel mining rights and obligations and other mineral royalty rights across 19 tenements in the West Kambalda region of Western Australia, which have also been classed as held-for-sale assets.

As at the date of this report the marketing process for the Scotia and Leinster tenement groups are drawing to conclusion, and preliminary responses are being evaluated by the Group. There can be no surety that the Group will enter into a sale transaction as a result of this process.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated Group	
	2015	2014
	\$	\$
11 AVAILABLE-FOR-SALE INVESTMENTS		
<i>At fair value – Shares, listed:</i>		
Opening balance	1,127,693	1,853,158
Revaluations	-	60,000
Disposals	(190,231)	(169,930)
Acquisitions	80,000	85,000
Additions through acquisition of Breakaway	-	21,562
Impairments	(178,379)	(722,097)
	839,083	1,127,693
12 PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Cost		
Opening balance	508,723	508,723
Additions	-	-
Disposals	-	-
	508,723	508,723
Accumulated depreciation		
Opening balance	-	-
Depreciation for the year	7,937	-
Disposals	-	-
	7,937	-
Net book value of land and buildings	500,786	508,723
Property is measured at historical cost less accumulated depreciation.		
Land and buildings with a net book value of \$500,787 (2014: \$508,723) is offered as security against a mortgage of \$392,000.		
Leasehold improvements		
Cost		
Opening balance	611,218	611,218
Additions	-	-
Disposals	-	-
	611,218	611,218
Accumulated depreciation		
Opening balance	150,738	57,103
Depreciation for the year	93,635	93,635
Disposals	-	-
	244,373	150,738
Net book value of leasehold improvements	366,845	460,480

12 PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2015	2014
	\$	\$
Plant and equipment		
Cost		
Opening balance	455,536	405,725
Additions	92,909	13,224
Additions through acquisition of Breakaway	-	36,587
Disposals	(136,646)	-
	411,799	455,536
Accumulated depreciation		
Opening balance	341,430	281,935
Depreciation for the year	57,228	59,495
Disposals	(136,646)	-
	262,012	341,430
Net book value of plant and equipment	149,787	114,106
Kaolin pilot plant		
Cost		
Opening balance	283,765	283,765
Additions	-	-
Disposals	-	-
	283,765	283,765
Accumulated depreciation		
Opening balance	218,082	170,794
Depreciation for the year	26,618	47,288
Disposals	-	-
	244,700	218,082
Net book value of Kaolin pilot plant	39,065	65,683
Motor vehicles		
Cost		
Opening balance	202,232	202,232
Additions	43,718	-
Disposals	-	-
	245,950	202,232
Accumulated depreciation		
Opening balance	107,256	76,030
Depreciation for the year	34,020	31,226
Disposals	-	-
	141,276	107,256
Net book value of motor vehicles	104,674	94,976
Total net book value of property, plant and equipment	1,161,157	1,243,968

Motor vehicles with a net book value of \$34,316 (2013: \$94,976) is offered as security against hire purchase contracts of \$31,596.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated Group	
	2015	2014
	\$	\$
13 EXPLORATION AND EVALUATION ASSETS		
Exploration, evaluation and development costs carried forward in respect of mining areas of interest		
Exploration and evaluation phase – Joint Operations	1,740,419	11,097,016
Exploration and evaluation phase – Other	12,019,323	8,145,991
	13,759,742	19,243,007

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

Capitalised tenement expenditure movement reconciliation

– Consolidated Group:

	Exploration Joint Operations \$	Exploration Other \$	Total \$
Balance at beginning of year	11,097,016	8,145,991	19,243,007
Additions through expenditure capitalised	1,297,774	3,925,441	5,223,215
Reductions through joint operation contributions	(1,140,303)	-	(1,140,303)
Write-off of tenements relinquished	(3,583,641)	(1,224,378)	(4,808,019)
Transfers between categories/to held-for-sale assets	(5,930,427)	1,172,269	(4,758,158)
Balance at end of year	1,740,419	12,019,323	13,759,742

As per ASX release dated 9 June 2015 relating to the Eloise and Leinster projects, the Group terminated its joint operations with Golden Fields Resources Pty Ltd (GFR) as a consequence of the inability of GFR to continue making payments for the reimbursement of exploration expenditure in accordance with an agreed payment plan.

Termination of the joint operations resulted in the Group retaining 100% of its interest in the Eloise and Leinster projects.

Exploration and evaluation expenditure incurred by the Group on the Eloise and Leinster projects that was not recovered from GFR has been capitalised in line with the Group's policy.

14 SHARE-BASED PAYMENTS

Employee Share Option Plan

The Company has established the Minotaur Exploration Ltd Employee Share Option Plan and a summary of the Rules of the Plan are set out below:

- All employees (full and part time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by a member of the Group, although the Board may waive this requirement.
- Options are granted under the Plan at the discretion of the Board and if permitted by the Board, may be issued to an employee's nominee.
- Each option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue. Options will be issued free. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.

14 SHARE-BASED PAYMENTS

Employee Share Option Plan

- If, prior to the expiry date of options, a person ceases to be an employee of a Group company for any reason other than retirement at age 60 or more (or such earlier age as the Board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 6 months from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- The Company will not apply for official quotation of any options. Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.

The Board may amend the Plan Rules subject to the requirements of the Listing Rules. The expense recognised in the Statement of profit or loss and other comprehensive income in relation to share-based payments is disclosed in *Note 4 (e)*.

The following table illustrates the number and weighted average exercise prices (WAEP) and movements in share options under the Company's Employee Share Option Plan issued during the year:

	2015 Number	2015 WAEP	2014 Number	2014 WAEP
Outstanding at the beginning of the year	3,660,000	0.23	4,570,000	0.23
Granted during the year	5,505,000	0.19	-	-
Forfeited during the year	(1,040,000)	0.23	(500,000)	0.22
Expired or lapsed during the year	-	-	(410,000)	0.25
Outstanding at the end of the year	8,125,000	0.20	3,660,000	0.23
Exercisable at the end of the year	8,125,000	0.20	3,660,000	0.23

The outstanding balance as at 30 June 2015 is represented by:

- A total of 1,045,000 options exercisable at any time until 29 September 2016 with an exercise price of \$0.21.
- A total of 1,575,000 options exercisable at any time until 3 July 2017 with an exercise price of \$0.25.
- A total of 5,505,000 options exercisable at any time until 21 November 2019 with an exercise price of \$0.19.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2015 is 3.53 years (2014: 2.69 years).

The range of exercise prices for options outstanding at the end of the year was \$0.19 - \$0.25 (2014: \$0.21 - \$0.25).

The weighted average fair value of options granted during the year was \$615,459 (2014: \$nil).

Shares issued for services

On 29 October 2013, 894,240 ordinary fully paid shares were issued at \$0.112 per share for corporate advisory services received by the Group in relation to the takeover of Breakaway Resources completed on 5 December 2013.

Shares issued for the takeover of Breakaway Resources

The following table is an analysis of shares issued by the company as consideration for all the shares in Breakaway Resources:

Date Issued	Number Issued
25 October 2013	39,601,137
5 December 2013	3,883,956
	43,485,093

Further information regarding the takeover of Breakaway Resources is set out in *Note 26*.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated Group	
	2015 \$	2014 \$
15 TRADE AND OTHER PAYABLES		
Trade payables (i)	392,045	460,286
Net GST and PAYG Payable	21,718	11,142
Funds received from GFR (iii)	362,253	-
Joint operation income received in advance	-	129,716
Other payables (ii)	159,448	76,753
	935,464	677,897

- i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
 ii) Other payables are non-interest bearing and are normally settled within 30 – 90 days.
 iii) Funds received from GFR are to be converted into equity in Minotaur Gold Solutions Ltd, maintaining a 50% equity position, upon satisfaction of all cash call conditions.

Information regarding the credit risk of current payables is set out in Note 28.

16 BORROWINGS

Current

Hire purchase contracts	14,089	114,386
	14,089	114,386

Non-current

Hire purchase contracts	17,507	-
Bank borrowings	392,000	392,000
	409,507	392,000

Bank borrowings reflect a secured 5 year interest only loan.
 There are no annual renewal or review terms.

17 PROVISIONS

Current

Annual leave provision

Balance at 1 July	102,788	116,707
Net increase/(decrease) in provision	9,425	(13,919)
Closing Balance 30 June	112,213	102,788

Long Service Leave

Balance at 1 July	352,552	312,513
Net increase in provision	18,859	40,039
Closing Balance 30 June	371,411	352,552
	483,624	455,340

Non-current

Long Service Leave

Balance at 1 July	32,459	43,159
Net decrease in provision	(6,068)	(10,700)
Closing Balance 30 June	26,391	32,459

	Consolidated Group	
	2015	2014
	\$	\$
18 ISSUED CAPITAL		
180,074,588 fully paid ordinary shares (2014: 152,165,042)	40,781,387	36,874,859

	2015		2014	
	Number	\$	Number	\$
Balance at beginning of financial year	152,165,042	36,874,859	107,785,709	31,572,748
Issue of shares through Share Purchase Plan and Share Placement	27,909,546	3,991,000	-	-
Shares issued for services	-	-	894,240	100,155
Shares issued for Breakaway takeover	-	-	43,485,093	5,218,211
Transaction costs on shares issued	-	(84,472)	-	(16,255)
Balance at end of financial year	180,074,588	40,781,387	152,165,042	36,874,859

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends (in the event such a dividend was declared).

	Consolidated Group	
	2015	2014
	\$	\$
19 RESERVES		
Share option reserve (a)	1,024,418	924,589
Foreign currency translation reserve (b)	-	(125,630)
Available-for-sale revaluation reserve (c)	-	-
	1,024,418	798,959

a) Share option reserve

Balance at beginning of financial year	924,589	1,013,175
Issue of options to employees and officers under Employee Share Option Plan	615,459	-
Transfer to retained earnings upon lapse of options	(515,630)	(88,586)
Balance at end of financial year	1,024,418	924,589

The share option reserve comprises the fair value of options issued to employees under the Company's Employee Share Option Plan and to directors of the Company.

b) Foreign currency translation reserve

Balance at beginning of financial year	(125,630)	(126,547)
Translation of foreign subsidiary	6,586	917
Write-off upon disposal of foreign subsidiary*	119,044	-
Balance at end of financial year	-	(125,630)

* 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. Refer to note 4(c) for further details.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

19 RESERVES

	Consolidated Group	
	2015 \$	2014 \$
c) Available-for-sale revaluation reserve		
Balance at beginning of financial year	-	(60,000)
Revaluation increment/(decrement)	-	60,000
Balance at end of financial year	-	-

20 ACCUMULATED LOSSES

Balance at beginning of financial year	(13,018,255)	(10,510,471)
Net loss attributable to members of the parent entity	(6,472,394)	(2,596,370)
Transfer from share option reserve – lapsed options	515,630	88,586
Balance at end of financial year	(18,975,019)	(13,018,255)

21 NON-CONTROLLING INTEREST

Balance at beginning of financial year	227,999	298,440
Net loss attributable to non-controlling interest	(43,527)	(70,441)
	184,472	227,999

22 COMMITMENTS FOR EXPENDITURE

Operating leases

Not longer than 1 year	343,821	352,587
Longer than 1 year and not longer than 5 years	1,036,287	1,252,238
	1,380,108	1,604,825

Hire purchase commitments

Not longer than 1 year	15,558	118,041
Longer than 1 year and not longer than 5 years	18,152	-
	33,710	118,041
Less: future finance charges	(2,114)	(3,655)
	31,596	114,386

Terms of lease arrangements

The Group has in place an operating lease for its principal place of business. The lease expires on 9 July 2019 and includes an escalation clause linked to CPI.

Future minimum lease payments under hire purchase contracts together with the present value of the net minimum lease payments are listed in the above table.

Exploration leases

In order to maintain current rights of tenure to exploration tenements the Group will be required to outlay in the year ending 30 June 2016 amounts of approximately \$6.2 million in respect of tenement lease rentals and to meet minimum expenditure requirements. It is expected that of this minimum expenditure requirement, \$3.5 million will be funded by Minotaur's current and potential joint venture partners. The net obligation to the Group is expected to be fulfilled in the normal course of operations.

	Consolidated Group	
	2015	2014
	\$	\$
23 AUDITOR'S REMUNERATION		
Audit or review of the financial report	46,100	37,826
Taxation compliance	1,000	1,000
Total auditor's remuneration	47,100	38,826

24 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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, totalling \$272,200 at 30 June 2015 (2014: \$322,200). 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.

	Country of incorporation	Ownership interest	
		2015	2014
		%	%
25 CONTROLLED ENTITIES			
Parent entity			
Minotaur Exploration Limited (i)	Australia		
Subsidiaries			
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 (iii) (iv)	Australia	100	100
Scotia Nickel Pty Ltd (iii)	Australia	100	100
Altia Resources Pty Ltd (iii)	Australia	100	100
Levuka Resources Pty Ltd (iii)	Australia	100	100
BMV Properties Pty Ltd (iii)	Australia	100	100
Minotaur Gold Solutions Limited (v)	Australia	50	50
Minotaur Atlantic Exploration Limited (vi)	Canada	-	100

i) Minotaur Exploration Limited is the head entity within the tax consolidated Group.

ii) These companies are members of the tax consolidated Group.

iii) On 5 December 2013, Minotaur Exploration completed its 100% acquisition of Breakaway Resources Ltd and its subsidiaries; Scotia Nickel Pty Ltd, Altia Resources Pty Ltd, Levuka Resources Pty Ltd and BMV Properties Pty Ltd. Upon acquiring 100% of Breakaway, the Group moved to add Breakaway and its subsidiaries to its tax consolidated Group.

iv) On 20 June 2014, Breakaway Resources Ltd converted to a proprietary company and is now called Breakaway Resources Pty Ltd.

v) Although the Group does not hold more than half of the voting rights of Minotaur Gold Solutions Ltd, it is able to control the company as it has the power of the operating decisions of the entity and is exposed to the variable returns from its investment. The assessment of control is a significant judgement as Minotaur holds 50% of the voting equity.

vi) 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

26 BUSINESS COMBINATIONS

On 5 December 2013, the Group completed its 100% acquisition of the issued share capital and voting rights of Breakaway Resources Limited, now named Breakaway Resources Pty Ltd (Breakaway), a company based in Australia that operates within the mineral exploration segment. The objective of the acquisition was to further increase the Group's tenements holdings over highly prospective ground, in particular in Western Australia and Queensland.

Details of the business combination are as follows:

	\$
Fair value of consideration transferred	
Issue of shares for acquisition of Breakaway	5,218,211
	5,218,211
Recognised amounts of identifiable net assets	
Cash and cash equivalents	490,259
Trade and other receivables	53,043
Total current assets	543,302
Property, plant and equipment	36,587
Available-for-sale investments	21,562
Total non-current assets	58,149
Trade and other payables	460,311
Provisions	26,653
Total current liabilities	486,964
Trade creditors	50,000
Total non-current liabilities	50,000
Identifiable net assets	64,487
Exploration and evaluation assets recognised on acquisition	5,153,724
Cash and cash equivalents acquired	490,259
Net cash inflow on acquisition	490,259
Acquisition costs charged to expenses	518,147
Net cash paid relating to the acquisition	(27,888)

Consideration transferred

Acquisition-related costs amounting to \$518,147 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of other expenses.

Exploration and evaluation assets

The exploration and evaluation asset that arose on the combination can be attributed to tenement holdings over highly prospective geological areas and has been recognised as an exploration and evaluation asset. The exploration and evaluation asset that has been recognised is attributable to the mineral exploration segment.

Breakaway's contribution to the Group's results

Breakaway contributed \$7,339 and \$268,316 to the Group's revenues and losses respectively from the date of acquisition to 30 June 2014. Had the acquisition occurred on 1 July 2013, the Group's revenue for the period to 30 June 2014 would have been (\$7,899) and the Group's loss for the period would have been \$3,513,220.

27 FINANCIAL ASSETS AND LIABILITIES

Note 1(f) provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Note	AFS \$	Cash \$	Loans and Receivables \$	Total \$
		(Carried at fair value)	(Carried at amortised cost)		
30 June 2015					
Financial assets					
Cash and cash equivalents	7	-	4,163,979	-	4,163,979
Trade and other receivables	8	-	-	35,330	35,330
Available-for-sale assets	11, 27(a)	839,083	-	-	839,083
		839,083	4,163,979	35,330	5,038,392
	Note		Payables \$	Borrowings \$	Total \$
			(Carried at amortised cost)		
Financial liabilities					
Trade and other payables	15		935,463	-	935,463
Current borrowings	16, 27(b)		-	14,089	14,089
Non-current borrowings	16, 27(b)		-	409,507	409,507
			935,463	423,596	1,359,059
	Note	AFS \$	Cash \$	Loans and Receivables \$	Total \$
		(Carried at fair value)	(Carried at amortised cost)		
30 June 2014					
Financial assets					
Cash and cash equivalents	7	-	4,794,173	-	4,794,173
Trade and other receivables	8	-	-	44,499	44,499
Available-for-sale assets	11, 27(a)	1,127,693	-	-	1,127,693
		1,127,693	1,127,693	44,499	5,966,365
	Note		Payables \$	Borrowings \$	Total \$
			(Carried at amortised cost)		
Financial liabilities					
Trade and other payables	15		677,897	-	677,897
Current borrowings	16, 27(b)		-	114,386	114,386
Non-current borrowings	16, 27(b)		-	392,000	392,000
			677,897	506,386	1,184,283

A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 28. The methods used to measure financial assets and liabilities reported at fair value are described in Note 29.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

27 FINANCIAL ASSETS AND LIABILITIES

Consolidated Group

2015 2014
\$ \$

27(a) AFS financial assets

The details and carrying amounts of AFS financial assets are as follows:

Listed securities	839,083	1,127,693
	839,083	1,127,693

The listed securities are denominated in AUD and are publicly traded in Australia.

27(b) Borrowings

Borrowings include the financial liabilities:

	2015 \$	Current 2014 \$	Non-Current 2015 \$	2014 \$
Financial liabilities				
<i>Fair value</i>				
Finance lease liabilities	14,089	114,386	17,507	-
Bank borrowings	-	-	392,000	392,000
	14,089	114,386	409,507	392,000

All borrowings are denominated in AUD.

Borrowings at amortised cost

Bank borrowings are secured by land and buildings owned by the Group (see Note 12). Current interest rates are variable and average 4.81% (2014: 5.03%). The carrying amount of bank borrowings is considered to be a reasonable approximation of the fair value.

Other financial instruments

The carrying amount of the following financial assets and liabilities is considered to be a reasonable approximation of the fair value:

- Trade and other receivables;
- Cash and cash equivalents; and
- Trade and other payables

28 FINANCIAL RISK MANAGEMENT

Credit risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in Notes 18, 19, 20 respectively. Proceeds from share issues are used to maintain and expand the Groups exploration activities and fund operating costs.

28 FINANCIAL RISK MANAGEMENT

	Consolidated Group	
	2015	2014
	\$	\$
Financial assets		
Cash and cash equivalents	4,163,979	4,794,173
Trade receivables	35,330	44,499
Available-for-sale assets	839,083	1,127,693
Financial liabilities		
Payables	935,463	677,897
Borrowings	425,710	510,041

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from activities.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Interest rate risk

The tables listed below detail the Group's interest bearing assets, consisting solely of cash on hand and on short term deposit (with all maturities less than one year in duration).

	Weighted average effective interest rate	Less than 1 year
	%	\$
Consolidated		
2015		
Variable interest rate	2.39	4,163,979
2014		
Variable interest rate	3.44	4,794,173

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- net loss would increase or decrease by \$22,395 which is mainly attributable to the Group's exposure to interest rates on its variable bank deposits.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

28 FINANCIAL RISK MANAGEMENT

Liquidity and interest risk tables

The following table details the Company's and the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 year \$	Longer than 1 year and not longer than 5 years \$
Consolidated			
2015			
Interest bearing	4.99	14,089	409,507
Non-interest bearing	-	935,463	-
2014			
Interest bearing	5.33	114,386	392,000
Non-interest bearing	-	677,897	-

Available-for-sale financial instrument risk management

Ultimate responsibility for the Group's investments in available-for-sale financial instruments rests with the Board. The Board actively manages its investments by reviewing the market value of the Group's portfolio at each board meeting and making appropriate investment decisions.

29 FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, 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 or indirectly
- **level 3:** unobservable inputs for the asset or liability

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2015 and 30 June 2014:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2015				
Financial assets at fair value				
Available-for-sale investments				
Listed securities	839,083	-	-	839,083
	839,083	-	-	839,083
30 June 2014				
Financial assets at fair value				
Available-for-sale investments				
Listed securities	1,127,693	-	-	1,127,693
	1,127,693	-	-	1,127,693

There were no transfers between Level 1 and Level 2 in 2015 or 2014.

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

30 RELATED PARTY DISCLOSURE AND KEY MANAGEMENT PERSONNEL REMUNERATION

Transactions with key management personnel

The following individuals are classified as key management personnel in accordance with AASB 124 'Related Party Disclosures':

Mr Derek Carter, *Chairman*

Mr Andrew Woskett, *Managing Director*

Dr Antonio Belperio, *Executive Director*

Mr Richard Bonython, *Non-Executive Director*

Mr John Atkins, *Non-Executive Director (Resigned 30 June 2015)*

Mr Donald Stephens, *Company Secretary*

Mr Varis Lidums, *Commercial Manager*

Mr Ian Garsed, *General Manager of Exploration (Resigned 8 August 2014)*

Mr Glen Little, *Exploration Manager (Appointed 28 October 2014)*

Key management personnel remuneration includes the following expenses:

	2015 \$	2014 \$
Salaries including bonuses	1,259,644	1,196,118
Total short-term employee benefits	1,259,644	1,196,118
Superannuation	69,079	73,992
Total post-employment benefits	69,079	73,992
Share-based payments	162,110	-
Total share-based payments	162,110	-
Total remuneration	1,490,833	1,270,110

Transactions with associates

Throughout the year no transactions took place between Minotaur Exploration Limited and any associates (2014: \$nil).

In addition, no amounts were owed by any associates at the end of the year (2014: \$nil).

Director and key management personnel related entities

Throughout the year no transactions took place between Minotaur Exploration Limited and any director related entities (2014: \$nil).

Donald Stephens, the Company Secretary, is a consultant with HLB Mann Judd (SA) Pty Ltd. HLB Mann Judd (SA) Pty Ltd received professional fees for accounting, taxation and secretarial services provided during the year amounting to \$67,553 (2014: \$116,612) (inclusive of GST).

Throughout the year, no other transactions took place between Minotaur Exploration Limited and any key management personnel related entities.

Wholly-owned group transactions

The entities comprising the wholly owned Group and ownership interests in these controlled entities are set out in Note 25.

Transactions between Minotaur Exploration Limited and other entities in the wholly-owned Group during the year consisted of loans advanced by Minotaur Exploration Limited to fund exploration activities.

31 POST-REPORTING DATE EVENTS

No matter or circumstance has arisen since 30 June 2015 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future.

Directors' Declaration FOR THE YEAR ENDED 30 JUNE 2015

The Directors of the Company declare that:

- 1 the consolidated financial statements and notes, as set out on *pages 22 to 55*, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards, which, as stated in accounting policy *Note 1* to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company and consolidated Group;
- 2 the Managing Director and Company Secretary have each declared that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the financial year comply with Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view; and
- 3 in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Derek Carter
Chairman

Dated this 19th day of August 2015

Independent Auditor's Report

TO THE MEMBERS OF MINOTAUR EXPLORATION LIMITED



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

Report on the financial report

We have audited the accompanying financial report of Minotaur Exploration Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- a the financial report of Minotaur Exploration Limited is in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in *pages 15 to 19* directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Minotaur Exploration Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD

Chartered Accountants



J S Kemp
Partner – Audit & Assurance

Adelaide, 19 August 2015

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ASX Additional Information

Interests in Mining Tenements as at 30 September 2015

Lease ID	Lease Name	State	Holding Company	Minotaur Equity Earned %	JV Partner
Border Joint Venture					
EL4745	Bonython Hill	SA	Minotaur Operations	46.8	Sumitomo Metal Mining Oceania 53.2%
EL5502	Collins Tank	SA	Minotaur Operations	46.8	Sumitomo Metal Mining Oceania 53.2%
EL4844	Mingary	SA	Minotaur Operations	46.8	Sumitomo Metal Mining Oceania 53.2%
EL5079	Mutooroo	SA	Minotaur Operations	46.8	Sumitomo Metal Mining Oceania 53.2%
EL5437	Woodville Dam	SA	Minotaur Operations	46.8	Sumitomo Metal Mining Oceania 53.2%
Cloncurry Joint Venture (JOGMEC)					
EPM8608	Bendigo Park	QLD	Minotaur Operations	42.4	JOGMEC 57.6%
EPM16975	Cattle Creek	QLD	Minotaur Operations	42.4	JOGMEC 57.6%
EPM19530	Corella	QLD	Minotaur Operations	42.4	JOGMEC 57.6%
EPM18861	Donaldson Well	QLD	Minotaur Operations	42.4	JOGMEC 57.6%
EPM18802	East Racecourse	QLD	Minotaur Operations	42.4	JOGMEC 57.6%
EPM18068	Gidyea Bore	QLD	Minotaur Operations	42.4	JOGMEC 57.6%
EPM17286	Jackys Creek	QLD	Minotaur Operations	42.4	JOGMEC 57.6%
EPMA25889	Sedan	QLD	Minotaur Operations	0	JOGMEC 0%
EPM19412	Middle Creek	QLD	Minotaur Operations*	42.4	JOGMEC 57.6%
Cloncurry (Regional)					
EPM25862	Crows Nest	QLD	Minotaur Operations	100	
EPM19500	Eloise North	QLD	Minotaur Operations	100	
EPM25389	Fullarton	QLD	Minotaur Operations	100	
EPM18573	Gum Creek	QLD	Minotaur Operations	100	
EPM25237	Levuka	QLD	Minotaur Operations	100	
EPM25801	Masai	QLD	Levuka Resources	100	
EPM19775	Mount Margaret	QLD	Minotaur Operations	100	
EPM18624	Oorindi Park	QLD	Minotaur Operations	100	
EPM25238	Saxby	QLD	Minotaur Operations	100	
EPM25856	Wilgunya	QLD	Minotaur Operations	100	
Corkwood Project					
EPM15633	Beefwood	QLD	Red Metal Limited	0	Red Metal Ltd 100%
EPM13380	Corkwood	QLD	Red Metal Limited	0	Red Metal Ltd 100%
EPM13376	Pelican Dam	QLD	Red Metal Limited	0	Red Metal Ltd 100%
Eloise Copper Project					
EPM17838 [§]	Levuka	QLD	Levuka Resources	100	
EPM18442	Eloise Northwest	QLD	Levuka Resources	100	
MDL431 [§]	Eloise	QLD	Levuka Resources	100	
MDL432	Eloise	QLD	Levuka Resources	40	Sandfire Resources 60%
Osborne Joint Venture (JOGMEC)					
EPM18575	Carbo Creek	QLD	Minotaur Operations	100	JOGMEC 0%
EPM18720	Cuckadoo	QLD	Minotaur Operations	100	JOGMEC 0%
EPM25197	Hamilton	QLD	Minotaur Operations	100	JOGMEC 0%
EPM25886	Hennes Bore	QLD	Minotaur Operations	100	JOGMEC 0%
EPMA25960	Jubilee	QLD	Minotaur Operations	0	JOGMEC 0%
EPM19066	Lucia	QLD	Minotaur Operations	100	JOGMEC 0%
EPM18574	Momedah Creek	QLD	Minotaur Operations	100	JOGMEC 0%

Interests in Mining Tenements as at 30 September 2015

Lease ID	Lease Name	State	Holding Company	Minotaur Equity Equity Earned %	JV Partner
Osborne Joint Venture (JOGMEC)					
EPM18576	Pathungra	QLD	Minotaur Operations	100	JOGMEC 0%
EPM18571	Sandy Creek	QLD	Minotaur Operations	100	JOGMEC 0%
EPM25888	Tripod Tank	QLD	Minotaur Operations	100	JOGMEC 0%
EPM25699	Warburton Creek	QLD	Minotaur Operations	100	JOGMEC 0%
EPM19061	Windsor	QLD	Minotaur Operations	100	JOGMEC 0%
Victoria Copper Project					
EL5402	Chatsworth	VIC	Minotaur Operations	100	Stavely Minerals 0%
EL5403	Lexington	VIC	Minotaur Operations	100	
EL5450	Roxborough	VIC	Minotaur Operations	100	
Industrial Minerals Project					
EL5095	Camel Lake	SA	Minotaur Operations	100	
ELA5502	Casterton South	VIC	Minotaur Industrial Minerals	0	
EL5395	Kyancutta	SA	Minotaur Operations	100	
EL5308	Mount Hall	SA	Minotaur Operations	100	
EL5398	Sceales	SA	Minotaur Operations	100	
EL4575	Tootla	SA	Great Southern Kaolin	100	
EL5016	Whichelby	SA	Minotaur Operations	100	
EL4697	Yanerbie	SA	Minotaur Operations	100	
EL5365	Yaninee	SA	Minotaur Operations	100	
Gawler Ranges Project					
ELA2015/163	Birthday Creek	SA	Minotaur Operations	0	
ELA2015/130	Fairview	SA	Minotaur Operations	0	
ELA2015/75	Glyde	SA	Minotaur Operations	0	
EL4776	Mt Double	SA	Minotaur Operations	100	
ELA72015/74	Nuckulla	SA	Minotaur Operations	0	
EL5232	Peltabinna Hill	SA	Minotaur Operations	100	
EL5647	Pondanna	SA	Minotaur Operations	100	
ELA2015/80	Waurea	SA	Minotaur Operations	0	
Scotia Project					
E 29/00661	Goongarrie 3	WA	Minotaur Gold Solutions	50	
E 29/00886	Comet Vale	WA	Minotaur Gold Solutions	50	
M 24/00279	Goongarrie 5	WA	Minotaur Gold Solutions	50	
M 24/00336	Goongarrie 6	WA	Minotaur Gold Solutions	50	
M 29/00245	Goongarrie 13	WA	Minotaur Gold Solutions	50	
M 29/00246	Goongarrie 14	WA	Minotaur Gold Solutions	50	
P 29/02105	Goongarrie 7	WA	Minotaur Gold Solutions	50	
P 29/02117	Goongarrie 8	WA	Minotaur Gold Solutions	50	
P 29/02118	Goongarrie 9	WA	Minotaur Gold Solutions	50	
P 29/02119	Goongarrie 10	WA	Minotaur Gold Solutions	50	
P 29/02120	Goongarrie 11	WA	Minotaur Gold Solutions	50	
P 29/02121	Goongarrie 12	WA	Minotaur Gold Solutions	50	
Leinster Project					
E 36/235	Leinster 9	WA	Altia Resources	100	
E 37/909	Leinster 2	WA	Scotia Nickel	100	
M 36/475	Leinster 10	WA	Altia Resources	100	
M 36/502	Leinster 11	WA	Altia Resources	100	
M 36/511	Leinster 18	WA	Altia Resources	100	
M 36/524	Leinster 12	WA	Altia Resources	100	
M 36/526	Leinster 14	WA	Altia Resources	100	
M 36/548	Leinster 15	WA	Altia Resources	100	
M 37/806	Leinster 3	WA	Altia Resources	100	

Lease ID	Lease Name	State	Holding Company	Minotaur Equity Equity Earned %	JV Partner
Leinster Project					
M 37/877	Leinster 16	WA	Altia Resources	100	
M 37/878	Leinster 17	WA	Altia Resources	100	
P 37/7170	Leinster 4	WA	Scotia Nickel	100	
P 37/7370	Leinster 5	WA	Scotia Nickel	100	
P 37/7371	Leinster 6	WA	Scotia Nickel	100	
P 37/7372	Leinster 7	WA	Scotia Nickel	100	
P 37/7373	Leinster 8	WA	Scotia Nickel	100	
Other Projects					
EL5542	Blinman	SA	Perilya	10	Perilya Ltd 90%, MEP 10% free carried to BFS completion
EL5117	Ediacara	SA	Perilya	10	Perilya Ltd 90%, MEP 10% free carried to BFS completion
ML4386	Third Plain	SA	Perilya	10	Perilya Ltd 90%, MEP 10% free carried to BFS completion
EL4478	Wilkawillina	SA	Perilya	10	Perilya Ltd 90%, MEP 10% free carried to BFS completion
EL4961*	Moonta	SA	Peninsula Resources	10	Peninsula Resources
EPM17061	Mt Osprey	QLD	Birla Mt Gordon	#22.9	Birla Mt Gordon
P15 4876	Spargos Reward	WA	Minex Australia	Ni 100%	
P15 4877	Spargos Reward	WA	Minex Australia	Ni 100%	
P15 4878	Spargos Reward	WA	Minex Australia	Ni 100%	
P15 4879	Spargos Reward	WA	Minex Australia	Ni 100%	
P15 4880	Spargos Reward	WA	Minex Australia	Ni 100%	
P15 4881	Spargos Reward	WA	Minex Australia	Ni 100%	
P15 4882	Spargos Reward	WA	Minex Australia	Ni 100%	
P15 4883	Spargos Reward	WA	Minex Australia	Ni 100%	
P15 4886	Spargos Reward	WA	Minex Australia	Ni 100% +3% Au NSR	
M15 395	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
M15 703	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
L15 128	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
L15 255	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
E15 967	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
E15 968	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
P15 5860	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
P15 4884	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
P15 4885	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
P15 4963	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	

Diluting interest

* = Portion only of tenement

Ni 100% = 100% interest in Nickel rights only

Ni 100% +3% Au NSR = 100% interest in Nickel rights and 3% Gold NSR

Ni 100% +1.5% NSR = 100% interest in Nickel rights and 1.5% NSR all other minerals

^s Sandfire Resources earning up to 80% interest in portion of the tenement

Shareholdings AS AT 30 SEPTEMBER 2015

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 30 September 2015.

Distribution of equity securities

Ordinary share capital

180,074,588 fully paid ordinary shares are held by 3,375 individual shareholders.

All issued ordinary shares carry one (1) vote per share and carry the rights to dividend.

Options

11,208,333 unlisted options are held by 28 option holders.

The number of shareholders, by size of holding, in each class are:

	Fully paid ordinary shares	Unlisted Options
1 – 1,000	465	-
1,001 – 5,000	884	-
5,001 – 10,000	485	-
10,001 – 100,000	1,205	5
100,001 and over	336	23
	3,375	28
Holding less than a marketable parcel	1,653	-

Substantial shareholders

Ordinary shareholders	Number	Fully paid Percentage
Norilsk Nickel Australia Pty Ltd	10,777,919	5.99%
Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C>	9,651,388	5.36%

TWENTY LARGEST HOLDERS OF QUOTED EQUITY SECURITIES	Number	Fully Paid Ordinary Shares Percentage
Norilsk Nickel Australia Pty Ltd	10,777,919	5.99%
Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C>	9,651,388	5.36%
OZ Minerals Limited	8,041,670	4.47%
Newmont Capital Pty Ltd	5,320,000	2.95%
FMR Investments Pty Limited	2,872,303	1.60%
Sandfire Resources NL	2,608,695	1.45%
Locantro Speculative Investments Pty Ltd	2,000,000	1.11%
Mr Peter Francis Hasenkam	1,754,896	0.97%
Mr Nicholas James Carter + Mrs Susan Mary Carter <Carter Family Super A/C>	1,688,396	0.94%
Dorica Nominees Pty Ltd	1,606,896	0.89%
Kimbriki Nominees Pty Ltd <Kimbriki Hamilton SF A/C>	1,500,000	0.83%
Romsup Pty Ltd <Romadak Super Fund A/C>	1,457,064	0.81%
Miningnut Pty Ltd	1,200,000	0.67%
Mr Nicholas Carter	1,185,095	0.66%
Mr Robert Gemelli	1,110,572	0.62%
Edwin Holdings Pty Ltd	1,000,000	0.56%
MBM Corporation Pty Ltd	1,000,000	0.56%
Mr Robert William Moses	1,000,000	0.56%
National Nominees Limited	995,967	0.55%
Mr Derek Northleigh Carter	900,000	0.50%
	57,670,861	32.05%



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