



MINOTAUR  
EXPLORATION

# 2018

ANNUAL REPORT







# CORPORATE DIRECTORY

## MINOTAUR EXPLORATION LIMITED

ACN: 108 483 601

ASX: MEP

## DIRECTORS

|                     |                               |
|---------------------|-------------------------------|
| Dr Antonio Belperio | <i>Executive Director</i>     |
| Dr Roger Higgins    | <i>Non-Executive Chairman</i> |
| Mr George McKenzie  | <i>Non-Executive Director</i> |
| Mr Andrew Woskett   | <i>Managing Director</i>      |

## COMPANY SECRETARY

Mr Varis Lidums

## REGISTERED OFFICE

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

## 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

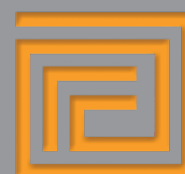
Grant Thornton Audit Pty Ltd  
Level 3, 170 Frome Street  
Adelaide SA 5000

[www.minotaurexploration.com.au](http://www.minotaurexploration.com.au)

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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.



**MINOTAUR  
EXPLORATION**

The 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 7 to 17. The Directors' Report is not part of the financial report.

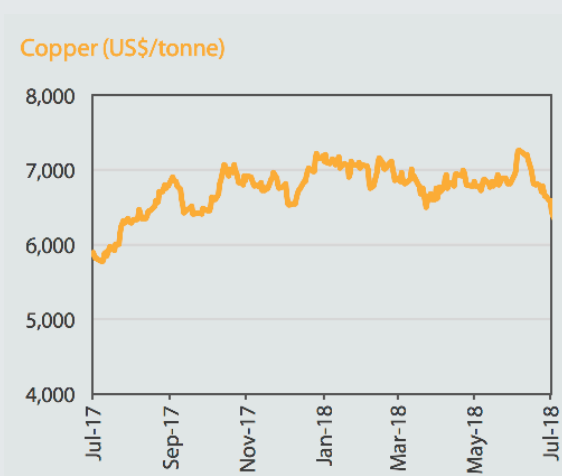
# CHAIRMAN'S REVIEW

Your Company maintained its high rate of activity throughout the reporting period, resulting in some notable successes and accomplishments.

A year ago sentiment was rising, encouraging investor support for metals exploration, much of which was channeled into 'battery metals' such as lithium, cobalt and vanadium. More recently, investor appetite has been suppressed as the spectre of a global trade war depresses prices across all commodities.

Despite volatile macroeconomic conditions, the copper price remained healthy throughout FY18 due to increasing demand, with electric vehicle production a significant contributing factor.

Figure 1: Spot copper price through FY2018



Minotaur is applying a sharp focus to exploration for base metals, mainly copper. This speaks to our heritage as a prospect generator and the high level of technical capability that has evolved internally over the past decade; attributes recognised by our joint venture partners.

In line with the broader metals exploration market, Minotaur experienced a decline in share value through May-September 2018 that is at odds with the Company's solid exploration and business development performance, positive reports to shareholders, and the Company's attractive prospects. We expect that this disconnect will be redressed as we build on our

successes - summarised as follows - and maintain the work tempo.

- Significant drilling campaigns at Minotaur's Eloise joint venture with OZ Minerals Ltd (ASX: OZL), with notable copper-gold intercepts from the 'Jericho' system
- OZ Minerals decision to fast track its earn-in expenditure by more than 3 years
- A joint venture with Andromeda Metals Ltd (ASX: ADN) where Andromeda may invest A\$6m over 5 years to earn 75% in Minotaur's kaolin deposits in South Australia
- Purchase of the Highlands group of tenements east of Mt Isa
- Steps towards realising value from nickel assets in Western Australia

Your Board and management are very focused on advancing Minotaur's growth prospects and I am pleased to address these now.

## OZ Minerals Joint Venture

The joint venture with OZ Minerals Ltd (ASX: OZL) at the Eloise copper-gold project has developed beyond our expectations of one year ago. OZ Minerals had the option to achieve 51% interest in the joint venture and then to move to 70% interest over a 6-year time span. Results from drilling since October 2017 and a recognition of regional prospectivity have encouraged OZ Minerals to contribute \$10 million into JV activities and, within 3 years (by early 2019), OZ Minerals will achieve its 70% interest. This level of support underscores the value of work done and the rising confidence OZ Minerals has in the untapped potential of the tenement package.

## Project Generation

Minotaur is well recognised as a prospect generator and for its business model based on solid joint venture alliances, such as those with OZ Minerals and JOGMEC. New opportunities are sought as the basis of new joint venture arrangements, underpinning the sustainability of our operations.

To this end Minotaur has announced it has joined in joint venture with a private company, owner and operator of



the Mungana and King Vol polymetallic base metal mines at Chillagoe in Queensland. The JV enables Minotaur to farm-in to the Windsor exploration tenements 60km SW of Charters Towers where we see opportunity for under-cover base metal prospects to be identified using our geophysical expertise. The terms agreed permit Minotaur to arrange third party involvement as a funding source to underwrite the exploration expense, in return for an equity involvement in the tenements. This model provides a pathway into tenure that is not readily available through government licensing channels, or able to be purchased, thereby securing access to an extensive and under-explored ground position.

Our recent acquisition of the Highlands tenement group 50km north-east of Mt Isa likewise secured a significant area. Work done by the previous owner and the presence of an adjacent modest copper-gold sulphide resource, named Barbara, provided sound evidence that the area offers potential for copper discovery. Our plan is to investigate several targets to demonstrate that potential, with a view to engaging joint venture involvement at higher valuation multiples than our entry cost.

#### Project Value Realisation

We seek to dispose of our nickel tenements near Kalgoorlie, that effort gaining recent traction due to the

growing importance of nickel sulphides in the 'battery metals' sphere.

Finally, having nurtured the kaolin deposits in South Australia over many years and with the benefit of lab tests proving that the raw material is readily convertible into high purity alumina, an earn-in joint venture was agreed with Andromeda Metals Ltd (ASX: ADN). Andromeda is actively investigating commercialisation options for run-of-mine kaolin material into the Asian ceramic markets and channels for sale of high-halloysite grade kaolin and high purity alumina. With Andromeda positioned to invest \$6 million to earn 75% interest over the next 5 years, Minotaur can potentially realise significant asset value for no further cost burden.

#### Minotaur in the Exploration Realm

Exploration is and always will be the singular pathway to new mines and, as existing resources progressively deplete, major company dependence on junior explorers as the generators of discovery must inevitably grow. Minotaur is well-placed by our track record to be a partner of choice to capitalise on that growth. Shareholder faith in the Company's future is often expressed to management and your ongoing support is much appreciated.



Drilling offside emptying tube of core at Eloise JV, Cloncurry



Drill rig at Eloise JV, Cloncurry



# MANAGING DIRECTOR'S REPORT

## Business Review

Minotaur's exploration activity level continued to rise through the 2018 Financial Year, largely due to our OZ Minerals Ltd (ASX: OZL) sole funded joint venture near Cloncurry. Our joint venture in the same region with the Japan Oil, Gas and Metals National Corporation (JOGMEC) continued with regional scale ground EM surveys leading to scout drilling of new targets.

In OZ Minerals' case its initial 51% interest in the Eloise JV was earned in a year less than scheduled and is on track to reach its ultimate 70% interest in less than 3 years of the permitted 6-year timeframe. The rapid pace of investment by OZ Minerals reflects its growing satisfaction with results flowing from drilling and Minotaur's ability to generate prospects.

A notable copper discovery made for the Eloise JV very early in the reporting year was the Jericho EM anomaly. Since October 2017 Jericho has been subject to 12,840m of diamond drilling into its parallel J1 and J2 plates. Twenty-eight holes demonstrate pervasive copper-gold mineralisation along the combined plate length of 4.5km, centered just 3km south of the Eloise copper mine. More work needs to be done to fully understand the system and vector towards a geochemical 'sweet spot' that might deliver an economic resource. The drill assay data base is now adequately developed to provide empirical guidance and will be the focus of off-site

research during the forthcoming 'wet season' field shutdown. We anticipate follow up drilling will resume around April 2019.

OZ minerals agreed to expand the 2018 work programme on several occasions, allowing continuous drilling along Jericho between April and September and also expanding to regional geophysical surveys searching for similar anomalies within 30km of Jericho. Should that be fruitful scout drilling will proceed in the 2019 field season. From the time OZ Minerals elevates to 70% project interest, having funded \$10 million, Minotaur will be required to contribute pro-rata, or dilute, as is standard under joint venture arrangements. Our intention is to maintain Minotaur's interest level and that could involve investment of around \$1.5 million through 2019. OZ Minerals indicates that Minotaur shall continue to be joint venture manager and operator.

The Highlands project near Mt Isa was a bolt-on acquisition, for which the Company paid \$125,000 cash and shares to the value of \$275,000 in return for 665km<sup>2</sup> of tenure in a district known to host extensive, small scale copper mineralisation. While numerous anomalies were generated by the owners none had been seriously followed up. Minotaur's team carried out site reconnaissance, rock chip sampling and ground EM surveys over 2 such targets, Gospel and Coolibah, in August and converted these to viable first-round drill





targets. Our plan for Highlands is to prove several quality targets, by drill intersections, thereby adding value to the package, upon which we may seek farm-in joint venture interest. The overall aspiration is to locate mineable copper-gold deposits that could complement open pit mining activity, when initiated, at the nearby Barbara deposit owned by Round Oak Minerals (a subsidiary of Washington H. Soul Pattinson Ltd).

Elsewhere in Queensland, near Charter Towers, we accepted an invitation to farm-in to ground held by Auctus Minerals, a subsidiary of private equity group Denham Capital, owners and operators of the Mungana and King Vol poly metallic mines. Auctus’ ‘Windsor’ exploration tenements extend over 629km<sup>2</sup> but have received scant exploration attention over the past decade, due primarily to the highly conductive characteristics of the cover sequence overlying the basement. Minotaur intends to apply its under-cover geophysical techniques, as around Eloise, to locate sulphide hosting stratigraphy and, potentially, zinc mineralisation. There are three known VMS stratigraphic horizons in the region, each delivering high-grade orebodies such as Thalanga, Lione town, Waterloo and Highway-Reward. Work is able to start after the 2018 wet season ends and through 2019 will be funded by Minotaur pending introduction of a joint venture funding partner.

Andromeda Metals committed to an earn-in joint venture over Minotaur’s kaolin tenements in South Australia. For expenditure of \$6 million over 5 years, Andromeda may earn 75% beneficial interest in the assets, subject to satisfying the minimum expenditure requirement of \$400,000 by end January 2019.

The agreement exemplifies Minotaur’s business model to engage joint venture partners to fund its projects, alleviating use of shareholders’ funds.

This review provides guidance on Minotaur’s efforts to focus on base metals and to build a growth pathway inside well established mineral districts in Queensland. It reinforces our business model based on quality joint venture arrangements where project funding by the earn-in partner leverages our projects and illustrates mechanisms for achieving that goal.

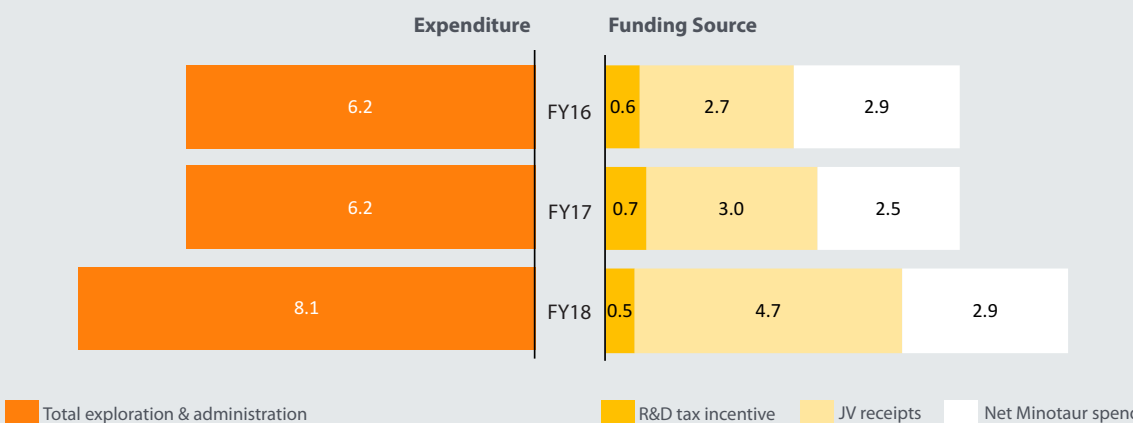
In summary, during 2019 Minotaur expects to have both self-funded and JV funded active projects: Highlands Cu; Windsor Zn; Eloise JV and Osborne JV, providing a diversity of exploration settings conducive to discovery.

Corporate Review

The financial benefits of the Company’s enduring JV relationships are clear: through the 2018 financial year Minotaur’s exploration expenditure increased to \$6.5 million (\$4.8 million in 2017) of which Minotaur sole funded \$1.7 million (\$1.8 million in 2017). Thus, Minotaur leveraged its work funding by 2.7 times through joint venture contributions. The year-on-year trend is well illustrated by the accompanying graphic.

The Board’s view continues to be that the Company’s joint venture model positions Minotaur with optimal exposure to significant discoveries. Minotaur’s employees have realised notable successes during the year for shareholders and partners and we look forward to building on that platform through the 2019 financial year.

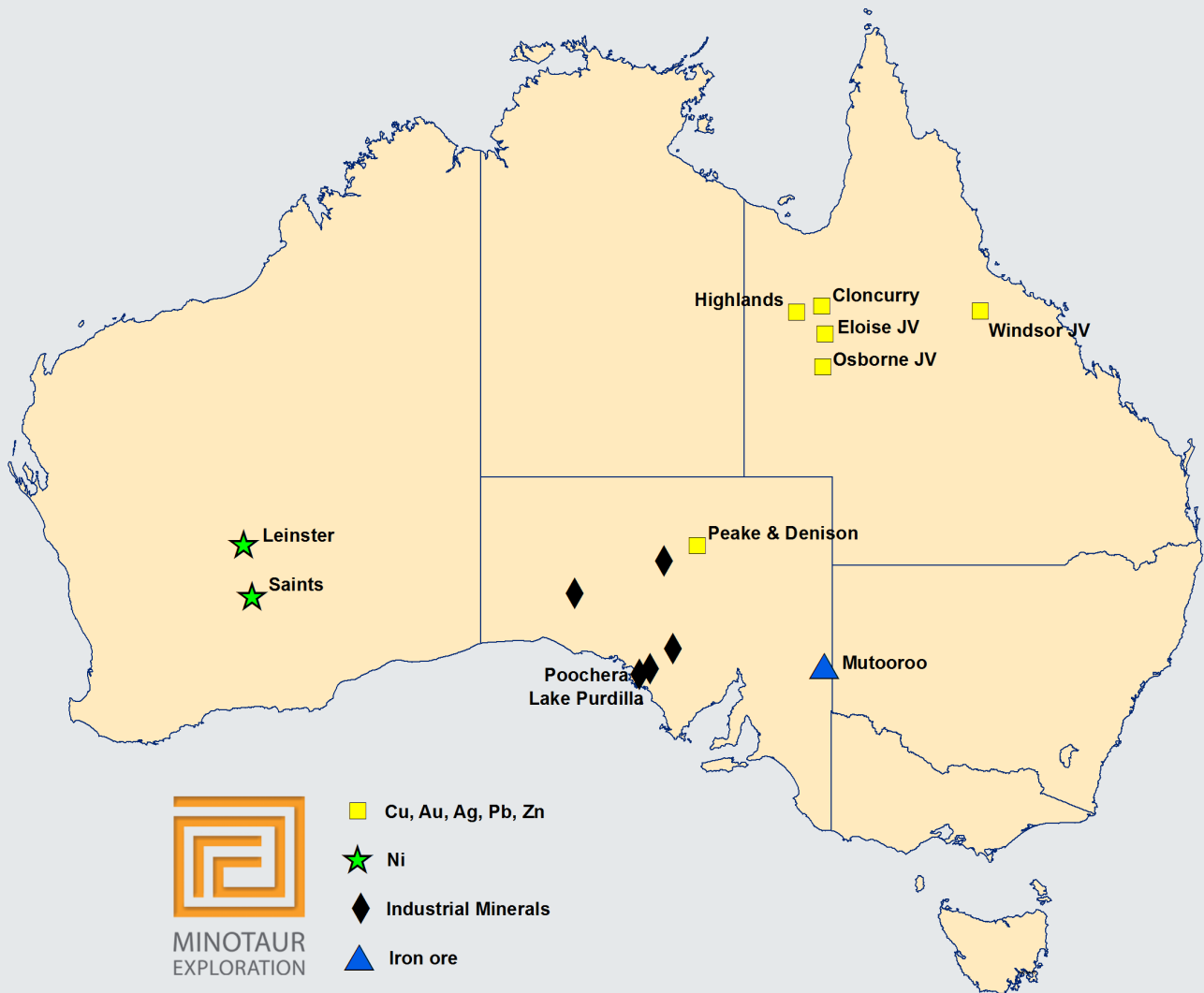
Figure 2: Minotaur’s exploration funding model



<sup>1</sup> Data sourced from MEP Appendix 5B issues



# ASSET LOCATIONS



**Minotaur maintains a diverse array of mineral exploration tenements around Australia, totalling 11,900km<sup>2</sup>, including Joint Venture areas**



# DIRECTORS' REPORT

Your directors present their report on the consolidated group for the financial year ended 30 June 2018.

## Director Details

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

|                     |                               |
|---------------------|-------------------------------|
| Mr Andrew Woskett   | <i>Managing Director</i>      |
| Dr Antonio Belperio | <i>Executive Director</i>     |
| Dr Roger Higgins    | <i>Non-Executive Chairman</i> |
| Mr George McKenzie  | <i>Non-Executive Director</i> |

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

## Review of Operations

### Corporate

The 2018 financial year concluded with the Group holding \$2 million in cash and term deposits plus \$0.5 million equity holdings in ASX listed explorers. Substantial and ongoing exploration investments by our joint venture allies helped expand the Company's activity level. Sprott Group remains the Company's key shareholder with 13% of the issued shares.

OZ Minerals Ltd's (ASX: OZL) investment in the Eloise Joint Venture, in which OZ Minerals may earn up to 70% interest through expenditure of \$10 million, exceeded \$6 million in total by the close of the financial year. OZ Minerals continues to fund Eloise joint venture activity into the 2019 financial year.

### Exploration

Exploration activity focused on copper-gold targets in Queensland.

The joint venture with OZ Minerals across the Eloise area tenements located multiple EM anomalies south of the Eloise copper mine. In particular, a conductive system named 'Jericho' was shown to continue for over 3km in length. Jericho was subjected to 7,900m of reconnaissance drilling along its known strike extent, with most holes returning significant copper grades.

That encouraged the joint venture to continue drilling through the remainder of the 2018 calendar year in order to sufficiently characterise the copper potential within Jericho.

A joint venture with Japan Oil, Gas and Metals Corporation (JOGMEC), over Minotaur's tenements surrounding the Osborne copper mine south of Cloncurry, probed several geophysical targets without returning any significant result. A new EM survey was underway at the close of the financial year.

Sale of the Chameleon gold resource proceeded to completion at the end of calendar 2017. A modest cash production payment will be payable by the buyer should mining of the asset produce gold.

## Research & Development

Minotaur maintains an active R&D program, mainly through the services of specialist agencies such as CSIRO and various university research laboratories. While there are several current R&D projects, Minotaur's primary exercise is investigation into new industrial applications for nanoparticles; halloysite nanoclays within the kaolin complex.

## Likely developments, business strategies and prospects

The Company's business model is substantially founded on continuing support from joint venture partners. This enables Minotaur to maintain a high level of exploration activity, compared to its peers, and to constrain net administration costs to 21% of its total exploration spend of \$5.2 million, of which 65% is contributed by JV partners. The Company's self-funded exploration level in the financial year was \$1.7 million, to generate new opportunities or present new openings for prospective joint venture involvement.

To those ends Minotaur acquired a 665km<sup>2</sup> package of copper prospective tenements east of Mt Isa for cash and shares to the value of \$400,000. Numerous exploration targets are available from work carried out by the vendor. Minotaur started ground assessment of several of those prospects after close of the financial



## DIRECTORS' REPORT

year. Terrain at the 'Highlands' project is rugged with geology exposed at surface, leading to faster and less expensive testing of basement targets than is the case around Cloncurry.

Minotaur conducted due diligence on a number of additional opportunities, one of which is being actively sought. If successful, it will provide a new region to which the Company can apply its remote sensing and interpretive expertise to locate base metal prospects under deep cover, as is the case near Eloise mine.

A new joint venture was created over the Company's kaolin deposits in South Australia whereby Andromeda Metals Ltd (ASX: ADN) is earning-in to the tenements.

After satisfying an initial \$400,000 minimum spend obligation by late January 2019 Andromeda can elect to sole fund joint venture expenditure which, for \$6 million over 5 years, will result in Andromeda earning 75% interest in the tenements. Minotaur considers this a positive outcome as it enables the Company to focus its management and cash resources on its core projects.

Ongoing efforts to unlock value from other non-core assets are advancing. The Saints nickel deposit near Kalgoorlie is available for sale. New interest in acquisition of the Leinster nickel package has resulted in the Javelin tenement being vended into a proposed gold IPO.

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.





## Names, qualifications, experience and special responsibilities

**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 over 35 years' experience in university, government and the mineral exploration industry. Dr Belperio is also a Director of Thomson Resources Ltd, a public company listed on the ASX.

**Dr Roger Higgins** BE (Hons), MSc, PhD, FAusIMM  
*Non-Executive Chairman*

Dr Higgins has over 40 years' experience in mine management, project development and sustainability, and is a current director of Newcrest Mining Ltd and Metminco Ltd, and a former director of Blackthorn Resources Ltd (resigned 2014), all public companies listed on the ASX. He is also a current director and a former Managing Director of Ok Tedi Mining Limited in Papua New Guinea. 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 George McKenzie** BA LLB (cum laude), FAICD, MtB (Order of Merit)  
*Non-Executive Director*

George McKenzie is a commercial lawyer with over 25 years' experience representing many of South Australia's explorers and mine developers. He was a long standing Councillor of the South Australian Chamber of Mines and Energy Inc. (SACOME), having served as Vice-President and member of the Executive Committee of the Chamber. Mr McKenzie has also been a member of the Minerals and Energy Advisory Council which advises the Minister of Mineral Resources and Energy on strategic issues.

**Mr Andrew Woskett** B Eng, M Comm Law  
*Managing Director*

Andrew Woskett has over 35 years' project and corporate experience in the mining industry. He held senior development responsibility roles 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 Varis Lidums** BEc, LLB, CA, MBA  
*Company Secretary*

Mr Lidums is a Chartered Accountant and qualified lawyer with over 25 years' experience in the resources, energy and accounting industries. He has held senior roles with BP, Shell and ConocoPhillips and has been the Commercial Manager at Minotaur Exploration Ltd since 1 March 2011.

## Operating Results

The consolidated loss of the group after providing for income tax amounted to \$2,516,051 (2017: \$3,820,416).

## 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 office in the shares and options of Minotaur Exploration Limited were:

|                  | Number of Ordinary Shares | Number of Options Over Ordinary Shares |
|------------------|---------------------------|--|
| Antonio Belperio | 1,762,750                 | 2,750,000                              |
| Roger Higgins    | -                         | 2,500,000                              |
| George McKenzie  | 59,100                    | 2,000,000                              |
| Andrew Woskett   | 205,000                   | 5,000,000                              |

## 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.

## DIRECTORS' REPORT

### 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 other than the Audit, Business Risk and Compliance 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.

### 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

On 4 July 2018, the following unlisted share options expired:

| Issue Date | Expiry Date | Exercise Price | Number of Options |
|------------|-------------|----------------|-------------------|
| 05/07/2013 | 04/07/2018  | \$0.300        | 2,083,333         |

On 26 July 2018, 5,152,883 fully paid ordinary shares were issued by the Company at an issue price of \$0.0534 as part consideration for the acquisition of the Highlands Project successfully completed on 20 July 2018.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future.

### Unissued shares under option

Unissued ordinary shares of Minotaur Exploration Limited under option at the date of this report are:

| Date Options Granted | Expiry Date | Exercise Price of Shares \$ | Number of Under Options |
|----------------------|-------------|-----------------------------|-------------------------|
| <b>Unlisted</b>      |             |                             |                         |
| 20/11/2014           | 19/11/2019  | 0.190                       | 5,105,000               |
| 07/09/2016           | 06/09/2021  | 0.115                       | 2,530,000               |
| 18/11/2016           | 17/11/2019  | 0.250                       | 10,250,000              |
| 05/10/2017           | 31/10/2019  | 0.068                       | 1,800,000               |
| 27/10/2017           | 31/10/2019  | 0.068                       | 2,500,000               |
| 08/12/2017           | 30/11/2020  | 0.250                       | 2,000,000               |
|                      |             |                             | <b>24,185,000</b>       |

### Shares issued as a result of exercise of options

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of listed options as follows (there were no amounts unpaid on the shares issued):

| Grant Date of Options | Issue Date of Options | Issue Price of Shares \$ | Number of Options |
|-----------------------|-----------------------|--------------------------|-------------------|
| 08/01/2016            | 08/12/2017            | 0.095                    | 797,755           |





Barry van der Stelt, Senior Geologist, and Anna Ogilvie, Geologist, examining core at Cloncurry

### 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 \$16,048. 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 willful 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

This report outlines the remuneration arrangements in place for directors and other key management personnel of Minotaur Exploration Limited in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

### Introduction

The remuneration report details the remuneration arrangements for key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent. These are as follows:

|                     |   |
|---------------------|---|
| Dr Antonio Belperio | <i>Executive Director</i>                       |
| Dr Roger Higgins    | <i>Non-Executive Chairman</i>                   |
| Mr Varis Lidums     | <i>Commercial Manager and Company Secretary</i> |
| Mr Glen Little      | <i>Exploration Manager</i>                      |
| Mr George McKenzie  | <i>Non-Executive Director</i>                   |
| Mr Andrew Woskett   | <i>Managing Director</i>                        |

### 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.

## DIRECTORS' REPORT

### 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 \$225,500 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.

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 and Company Secretary (effective 1 July 2016), 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



Barry van der Stelt, Senior Geologist, logging RC chips from the Eloise JV



Jericho Cu-Au core (EL17D06)



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 table below details the conditions under which non-executive directors of the Company are remunerated:

| Non-Executive Directors |                        | Annual Retainer<br>\$ |
|-------------------------|------------------------|-----------------------|
| Dr Roger Higgins        | Non-Executive Chairman | 90,000                |
| Mr George McKenzie      | Non-Executive Director | 45,000                |

#### 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 executive directors and other executives receive a superannuation guarantee contribution when required by law, 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 2018 and 30 June 2017

|                       | Short Term<br>Employee<br>Benefits |          | Post<br>Employment | Share-based<br>Payments | Totals           | Performance<br>Based<br>Percentage of<br>Remuneration |
|-----------------------|------------------------------------|----------|--------------------|-------------------------|------------------|---|
|                       | Salary & Fees                      | Bonus    | Superannuation     | Options                 | \$               | %   |
| Antonio Belperio      |                                    |          |                    |                         |                  |   |
| 2018                  | 205,936                            | -        | 19,564             | -                       | 225,500          | -   |
| 2017                  | 205,936                            | -        | 19,564             | 82,225                  | 307,225          | -   |
| Derek Carter (i)      |                                    |          |                    |                         |                  |   |
| 2018                  | -                                  | -        | -                  | -                       | -                | -   |
| 2017                  | 38,150                             | -        | -                  | -                       | 38,150           | -   |
| Roger Higgins (ii)    |                                    |          |                    |                         |                  |   |
| 2018                  | 90,000                             | -        | -                  | -                       | 90,000           | -   |
| 2017                  | 67,500                             | -        | -                  | 74,750                  | 142,250          | -   |
| George McKenzie (iii) |                                    |          |                    |                         |                  |   |
| 2018                  | 45,000                             | -        | -                  | 52,020                  | 97,020           | -   |
| 2017                  | 18,750                             | -        | -                  | -                       | 18,750           | -   |
| Andrew Woskett        |                                    |          |                    |                         |                  |   |
| 2018                  | 355,675                            | -        | -                  | -                       | 355,675          | -   |
| 2017                  | 355,675                            | -        | -                  | 149,500                 | 505,175          | -   |
| <b>Total</b>          |                                    |          |                    |                         |                  |   |
| <b>2018</b>           | <b>696,611</b>                     | <b>-</b> | <b>19,564</b>      | <b>52,020</b>           | <b>768,195</b>   | <b>-</b>  |
| <b>2017</b>           | <b>686,011</b>                     | <b>-</b> | <b>19,564</b>      | <b>306,475</b>          | <b>1,012,050</b> | <b>-</b>  |

(i) On 17 November 2016 Mr Derek Carter resigned as Chairman of the Company.

(ii) On 1 July 2016 Dr Roger Higgins was appointed as a non-executive director of the Company.

(iii) On 31 January 2017 Mr George McKenzie was appointed as a non-executive director of the Company.

## DIRECTORS' REPORT

Table 2: Remuneration of other key management personnel for the year ended 30 June 2018 and 30 June 2017

|              | Short Term Employee Benefits |          | Post Employment | Share-based Payments | Totals         | Performance Based Percentage of Remuneration |
|--------------|------------------------------|----------|-----------------|----------------------|----------------|--|
|              | Salary & Fees                | Bonus    | Superannuation  | Options              | \$             | %  |
| Varis Lidums |                              |          |                 |                      |                |  |
| 2018         | 178,082                      | -        | 16,918          | -                    | 195,000        | -  |
| 2017         | 178,082                      | -        | 16,918          | 16,280               | 211,280        | -  |
| Glen Little  |                              |          |                 |                      |                |  |
| 2018         | 182,718                      | -        | 17,358          | -                    | 200,076        | -  |
| 2017         | 182,391                      | -        | 17,327          | 10,175               | 209,893        | -  |
| <b>Total</b> |                              |          |                 |                      |                |  |
| <b>2018</b>  | <b>360,800</b>               | <b>-</b> | <b>34,276</b>   | <b>-</b>             | <b>395,076</b> | <b>-</b>                                     |
| <b>2017</b>  | <b>360,473</b>               | <b>-</b> | <b>34,245</b>   | <b>26,455</b>        | <b>421,173</b> | <b>-</b>                                     |

Share based payments, being options issued to directors and employees under the Company's Employee Share Option Plan, are recognised at fair value using the Black-Scholes pricing model.

### Other transactions with key management personnel

Throughout the year \$54,470 (2017: \$53,500) (inclusive of GST) was paid to a related entity of Dr Antonio Belperio under a commercial lease agreement for the use of warehouse space located at Magill, South Australia.

### Bonuses

No bonuses were paid during the 2018 financial 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.

Details of options over ordinary shares in the Company that were granted during the year as remuneration to each key management personnel are set out below:

|                             | Number Granted | Grant Date | Value Per Option at Grant Date \$ | Value of Options at Grant Date \$ | Number Vested | Exercise Price \$ | Last Exercise Date |
|-----------------------------|----------------|------------|-----------------------------------|-----------------------------------|---------------|-------------------|--------------------|
| <b>Directors</b>            |                |            |                                   |                                   |               |                   |                    |
| Antonio Belperio            | -              | -          | -                                 | -                                 | -             | -                 | -                  |
| Roger Higgins               | -              | -          | -                                 | -                                 | -             | -                 | -                  |
| George McKenzie             | 2,000,000      | 08/12/17   | 0.02601                           | 52,020                            | 2,000,000     | 0.25              | 30/11/20           |
| Andrew Woskett              | -              | -          | -                                 | -                                 | -             | -                 | -                  |
| <b>Other Key Management</b> |                |            |                                   |                                   |               |                   |                    |
| Varis Lidums                | -              | -          | -                                 | -                                 | -             | -                 | -                  |
| Glen Little                 | -              | -          | -                                 | -                                 | -             | -                 | -                  |



### Options held by key management personnel

The number of options to acquire shares in the Company held during the 2018 reporting period by each of the key management personnel of the Group; including their related parties are set out below:

|  | Balance at Beginning of Period | Granted as Remuneration | Exercised | Net Change Other | Balance at End of Period | Expiry Date | First Exercise Date |
|--|--------------------------------|-------------------------|-----------|------------------|--------------------------|-------------|---------------------|
| <b>Directors - Unlisted Options</b>            |                                |                         |           |                  |                          |             |                     |
| Antonio Belperio                               | 2,750,000                      | -                       | -         | -                | 2,750,000                | 17/11/19    | 18/11/16            |
| Roger Higgins                                  | 2,500,000                      | -                       | -         | -                | 2,500,000                | 17/11/19    | 18/11/16            |
| George McKenzie                                | -                              | 2,000,000               | -         | -                | 2,000,000                | 30/11/20    | 08/12/17            |
| Andrew Woskett                                 | 5,000,000                      | -                       | -         | -                | 5,000,000                | 17/11/19    | 18/11/16            |
| <b>Directors - Listed Options</b>              |                                |                         |           |                  |                          |             |                     |
| Antonio Belperio                               | 50,000                         | -                       | (50,000)  | -                | -                        | 30/11/17    | 05/1/16             |
| Roger Higgins                                  | -                              | -                       | -         | -                | -                        | -           | -                   |
| George McKenzie                                | -                              | -                       | -         | -                | -                        | -           | -                   |
| Andrew Woskett                                 | -                              | -                       | -         | -                | -                        | -           | -                   |
| <b>Other Key Management - Unlisted Options</b> |                                |                         |           |                  |                          |             |                     |
| Varis Lidums                                   | 250,000                        | -                       | -         | (250,000)        | -                        | 03/07/17    | 04/07/12            |
| Varis Lidums                                   | 450,000                        | -                       | -         | -                | 450,000                  | 21/11/19    | 20/11/14            |
| Varis Lidums                                   | 400,000                        | -                       | -         | -                | 400,000                  | 06/09/21    | 07/09/16            |
| Glen Little                                    | 1,000,000                      | -                       | -         | -                | 1,000,000                | 21/11/19    | 20/11/14            |
| Glen Little                                    | 250,000                        | -                       | -         | -                | 250,000                  | 06/09/21    | 07/09/16            |

### Shares held by key management personnel

The number of fully paid ordinary shares in the Company held during the 2018 reporting period by each of the key management personnel of the Group; including their related parties are set out below.

|                             | Balance as at 1 July 2017 | On Exercise of Options | Net Change Other | Balance as at 30 June 2018 |
|-----------------------------|---------------------------|------------------------|------------------|----------------------------|
| <b>Directors</b>            |                           |                        |                  |                            |
| Antonio Belperio            | 1,712,750                 | 50,000                 | -                | 1,762,750                  |
| Roger Higgins               | -                         | -                      | -                | -                          |
| George McKenzie             | 59,100                    | -                      | -                | 59,100                     |
| Andrew Woskett              | 205,000                   | -                      | -                | 205,000                    |
| <b>Other Key Management</b> |                           |                        |                  |                            |
| Varis Lidums                | -                         | -                      | -                | -                          |
| Glen Little                 | 58,956                    | -                      | -                | 58,956                     |

### 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.

## DIRECTORS' REPORT

### Voting and comments made at the Company's 2017 Annual General Meeting

Minotaur Exploration Ltd received more than 97.6% of "yes" votes on its remuneration report for the 2017 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 |
| Antonio Belperio | 7                   | 6        | -               | -        |
| Roger Higgins    | 7                   | 7        | 2               | 2        |
| George McKenzie  | 7                   | 7        | 2               | 2        |
| Andrew Woskett   | 7                   | 7        | -               | -        |

### Proceedings 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.



*Company geologists mapping Coolibah copper prospect, Highlands project*



### 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 22 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 18 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the directors:



**Roger Higgins**

*Chairman*

Dated this 28th day of August 2018



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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 2018, 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 handwritten signature in cursive script that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in cursive script that reads "I S Kemp".

I S Kemp  
Partner – Audit & Assurance

Adelaide, 28 August 2018

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Grant Thornton Audit Pty Ltd ACN 130 913 594  
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**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
for the year ended 30 June 2018

|  |               | <b>Consolidated Group</b> |                     |
|--|---------------|---------------------------|---------------------|
|  | <b>Note</b>   | <b>30 June 2018</b>       | <b>30 June 2017</b> |
|  |               | <b>\$</b>                 | <b>\$</b>           |
| Revenue  | <b>4 (a)</b>  | 224,562                   | 268,923             |
| Other income   | <b>4 (b)</b>  | 231,559                   | 253,508             |
| Impairment of exploration and evaluation assets                    | <b>4 (c)</b>  | (1,342,979)               | (2,091,726)         |
| Impairment of available-for-sale investments                       | <b>4 (c)</b>  | (40,003)                  | (25,041)            |
| Project generation costs   | <b>4 (c)</b>  | (684,780)                 | (1,056,673)         |
| Employee benefits expense  | <b>4 (d)</b>  | (690,645)                 | (810,590)           |
| Depreciation expense   | <b>4 (c)</b>  | (150,890)                 | (164,135)           |
| Finance costs  | <b>4 (c)</b>  | -                         | (700)               |
| Other expenses   | <b>4 (e)</b>  | (906,416)                 | (889,457)           |
| <b>Loss before income tax expense</b>                              |               | <b>(3,359,592)</b>        | <b>(4,515,891)</b>  |
| Income tax benefit   | <b>5</b>      | 843,541                   | 695,475             |
| <b>Loss for the year</b>   |               | <b>(2,516,051)</b>        | <b>(3,820,416)</b>  |
| <b>Other comprehensive income (net of tax)</b>                     |               |                           |                     |
| <i>Items that may be reclassified to profit or loss</i>            |               |                           |                     |
| Fair value (losses)/gains on available-for-sale assets             | <b>18 (b)</b> | (144,543)                 | 46,585              |
| <b>Total comprehensive income for the year</b>                     |               | <b>(2,660,594)</b>        | <b>(3,773,831)</b>  |
| <b>Loss for the year is attributable to:</b>                       |               |                           |                     |
| Members of the parent entity                                       | <b>19</b>     | (2,516,051)               | (3,814,220)         |
| Non-controlling interest   | <b>20</b>     | -                         | (6,196)             |
|  |               | <b>(2,516,051)</b>        | <b>(3,820,416)</b>  |
| <b>Total comprehensive income for the year is attributable to:</b> |               |                           |                     |
| Members of the parent entity                                       |               | (2,660,594)               | (3,767,635)         |
| Non-controlling interest   |               | -                         | (6,196)             |
|  |               | <b>(2,660,594)</b>        | <b>(3,773,831)</b>  |
| <b>Earnings per share</b>  |               |                           |                     |
| Basic earnings per share (cents)                                   | <b>6</b>      | (1.05)                    | (1.80)              |
| Diluted earnings per share (cents)                                 | <b>6</b>      | (1.05)                    | (1.80)              |

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

**Consolidated Statement of Financial Position**  
as at 30 June 2018

|                                      |             | <b>Consolidated Group</b> |                     |
|--------------------------------------|-------------|---------------------------|---------------------|
|                                      | <b>Note</b> | <b>30 June 2018</b>       | <b>30 June 2017</b> |
|                                      |             | <b>\$</b>                 | <b>\$</b>           |
| <b>CURRENT ASSETS</b>                |             |                           |                     |
| Cash and cash equivalents            | <b>7</b>    | 2,020,041                 | 2,331,267           |
| Trade and other receivables          | <b>8</b>    | 127,726                   | 704,123             |
| Other current assets                 | <b>9</b>    | 452,840                   | 110,767             |
| <b>TOTAL CURRENT ASSETS</b>          |             | <b>2,600,607</b>          | <b>3,146,157</b>    |
| <b>NON-CURRENT ASSETS</b>            |             |                           |                     |
| Available-for-sale investments       | <b>10</b>   | 518,355                   | 718,494             |
| Property, plant and equipment        | <b>11</b>   | 623,185                   | 753,448             |
| Exploration and evaluation assets    | <b>12</b>   | 8,660,998                 | 8,969,026           |
| <b>TOTAL NON-CURRENT ASSETS</b>      |             | <b>9,802,538</b>          | <b>10,440,968</b>   |
| <b>TOTAL ASSETS</b>                  |             | <b>12,403,145</b>         | <b>13,587,125</b>   |
| <b>CURRENT LIABILITIES</b>           |             |                           |                     |
| Trade and other payables             | <b>14</b>   | 1,228,934                 | 1,839,818           |
| Borrowings                           | <b>15</b>   | 25,986                    | -                   |
| Short-term provisions                | <b>16</b>   | 568,237                   | 505,478             |
| <b>TOTAL CURRENT LIABILITIES</b>     |             | <b>1,823,157</b>          | <b>2,345,296</b>    |
| <b>NON-CURRENT LIABILITIES</b>       |             |                           |                     |
| Borrowings                           | <b>15</b>   | 366,014                   | 392,000             |
| Long-term provisions                 | <b>16</b>   | 33,714                    | 66,365              |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |             | <b>399,728</b>            | <b>458,365</b>      |
| <b>TOTAL LIABILITIES</b>             |             | <b>2,222,885</b>          | <b>2,803,661</b>    |
| <b>NET ASSETS</b>                    |             | <b>10,180,260</b>         | <b>10,783,464</b>   |
| <b>EQUITY</b>                        |             |                           |                     |
| Issued capital                       | <b>17</b>   | 44,940,370                | 42,935,000          |
| Reserves                             | <b>18</b>   | 1,142,393                 | 1,433,207           |
| Accumulated losses                   | <b>19</b>   | (35,902,503)              | (33,584,743)        |
| <b>TOTAL EQUITY</b>                  |             | <b>10,180,260</b>         | <b>10,783,464</b>   |

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



**Consolidated Statement of Changes in Equity**  
for the year ended 30 June 2018

| <i>Consolidated Group</i>   |                      |                               |   |                             |                    |
|---|----------------------|-------------------------------|---|-----------------------------|--------------------|
| Note  | Issued Capital<br>\$ | Share Option<br>Reserve<br>\$ | Other<br>Components<br>of Equity<br>(Note 18)<br>\$ | Accumulated<br>Losses<br>\$ | Total Equity<br>\$ |
| <b>Balance at 1 July 2017</b>   | <b>42,935,000</b>    | <b>1,178,476</b>              | <b>254,731</b>                                      | <b>(33,584,743)</b>         | <b>10,783,464</b>  |
| <i>Comprehensive income</i>   |                      |                               |   |                             |                    |
| Total comprehensive income for the year   | -                    | -                             | (144,543)   | (2,516,051)                 | (2,660,594)        |
| <b>Total comprehensive income for the year</b>                                    | <b>-</b>             | <b>-</b>                      | <b>(144,543)</b>                                    | <b>(2,516,051)</b>          | <b>(2,660,594)</b> |
| <i>Transactions with owners, in their capacity as owners, and other transfers</i> |                      |                               |   |                             |                    |
| Issue of shares through Share Placement and Share Purchase Plan                   | 2,043,422            | -                             | -   | -                           | 2,043,422          |
| Issue of shares through exercise of options                                       | 76,489               | -                             | -   | -                           | 76,489             |
| Transaction costs on shares issued  | (114,541)            | -                             | -   | -                           | (114,541)          |
| Issue of unlisted options to directors  | -                    | 52,020                        | -   | -                           | 52,020             |
| Transfer from share option reserve upon lapse of options                          | -                    | (198,291)                     | -   | 198,291                     | -                  |
|   | <b>2,005,370</b>     | <b>(146,271)</b>              | <b>-</b>  | <b>198,291</b>              | <b>2,057,390</b>   |
| <b>Balance at 30 June 2018</b>  | <b>44,940,370</b>    | <b>1,032,205</b>              | <b>110,188</b>                                      | <b>(35,902,503)</b>         | <b>10,180,260</b>  |

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

**Consolidated Statement of Changes in Equity**  
for the year ended 30 June 2018 (continued)

| <i>Consolidated Group</i>   |                         |                                  |   |                             |                                       |                       |
|---|-------------------------|----------------------------------|---|-----------------------------|---------------------------------------|-----------------------|
| Note  | Issued<br>Capital<br>\$ | Share<br>Option<br>Reserve<br>\$ | Other<br>Components<br>of Equity<br>(Note 18)<br>\$ | Accumulated<br>Losses<br>\$ | Non-<br>Controlling<br>Interest<br>\$ | Total<br>Equity<br>\$ |
| <b>Balance at 1 July 2016</b>   | <b>42,930,982</b>       | <b>836,498</b>                   | <b>208,146</b>                                      | <b>(29,842,301)</b>         | <b>4,197</b>                          | <b>14,137,522</b>     |
| <i>Comprehensive income</i>   |                         |                                  |   |                             |                                       |                       |
| Total comprehensive income for the year   | -                       | -                                | 46,585  | (3,814,220)                 | (6,196)                               | (3,773,831)           |
| <b>Total comprehensive income for the year</b>                                    | <b>-</b>                | <b>-</b>                         | <b>46,585</b>                                       | <b>(3,814,220)</b>          | <b>(6,196)</b>                        | <b>(3,773,831)</b>    |
| <i>Transactions with owners, in their capacity as owners, and other transfers</i> |                         |                                  |   |                             |                                       |                       |
| Issue of shares through exercise of options                                       | 17                      | 4,018                            | -   | -                           | -                                     | 4,018                 |
| Issue of unlisted options to employees and directors                              |                         | -                                | 415,755   | -                           | -                                     | 415,755               |
| Adjustment upon increase in ownership percentage in controlled entity             |                         | -                                | -   | (1,999)                     | 1,999                                 | -                     |
| Transfer from share option reserve upon lapse of options                          | 18 (a)                  | -                                | (73,777)  | 73,777                      | -                                     | -                     |
|   |                         | <b>4,018</b>                     | <b>341,978</b>                                      | <b>71,778</b>               | <b>1,999</b>                          | <b>419,773</b>        |
| <b>Balance at 30 June 2017</b>  |                         | <b>42,935,000</b>                | <b>1,178,476</b>                                    | <b>254,731</b>              | <b>(33,584,743)</b>                   | <b>10,783,464</b>     |

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



## Consolidated Statement of Cash Flows

for the year ended 30 June 2018

|   |          | <i>Consolidated Group</i> |                    |
|---|----------|---------------------------|--------------------|
|   | Note     | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| <b>Cash flows from operating activities</b>                                   |          |                           |                    |
| Receipts from customers   |          | 213,691                   | 242,689            |
| Payments to suppliers and employees   |          | (1,609,720)               | (1,402,976)        |
| Interest received   |          | 11,557                    | 31,490             |
| Finance costs   |          | -                         | (1,501)            |
| R&D tax incentive received  |          | 470,851                   | 695,475            |
| <b>Net cash used in operating activities</b>                                  | <b>7</b> | <b>(913,621)</b>          | <b>(434,823)</b>   |
| <b>Cash flows from investing activities</b>                                   |          |                           |                    |
| Payments for property, plant and equipment                                    |          | (20,628)                  | (3,622)            |
| Proceeds from sale of property, plant and equipment                           |          | 4,000                     | 10,000             |
| Purchase of available-for-sale investments                                    |          | -                         | (140,757)          |
| Proceeds from sale of available-for-sale investments                          |          | 33,025                    | 155,000            |
| Buy back of shares in controlled entity                                       |          | -                         | (6,471)            |
| Proceeds from sale of tenements   |          | 341,899                   | 360,000            |
| Option, exclusivity and signing fees received                                 |          | 170,000                   | -                  |
| Joint Venture receipts  |          | 4,742,775                 | 3,006,449          |
| Government grants received for exploration activities                         |          | -                         | 178,065            |
| Payment for exploration activities  |          | (6,674,046)               | (5,250,848)        |
| <b>Net cash used in investing activities</b>                                  |          | <b>(1,402,975)</b>        | <b>(1,692,184)</b> |
| <b>Cash flows from financing activities</b>                                   |          |                           |                    |
| Proceeds from issue of shares through share purchase plan and share placement |          | 2,043,422                 | -                  |
| Proceeds from exercise of listed options                                      |          | 76,490                    | 4,018              |
| Payment of transaction costs for issue of shares                              |          | (114,542)                 | -                  |
| Repayment of borrowings   |          | -                         | (17,507)           |
| <b>Net cash provided by financing activities</b>                              |          | <b>2,005,370</b>          | <b>(13,489)</b>    |
| <b>Net decrease in cash and cash equivalents</b>                              |          | <b>(311,226)</b>          | <b>(2,140,496)</b> |
| <b>Cash at the beginning of the year</b>                                      |          | <b>2,331,267</b>          | <b>4,471,763</b>   |
| <b>Cash at the end of the year</b>  | <b>7</b> | <b>2,020,041</b>          | <b>2,331,267</b>   |

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

## Notes to the Consolidated Financial Statements for the year ended 30 June 2018

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/- O'Loughlins Lawyers, Level 2, 99 Frome Street, Adelaide SA 5000 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 2018 were approved and authorised for issue by the Board of Directors on 28 August 2018.

#### (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 24 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 presented 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 as 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 Limited.

Minotaur Exploration Limited 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 Limited recognises the entire tax-consolidated group's retained tax losses.

#### **Research and development tax incentive**

To the extent that research and development costs are eligible activities under the "Research and development tax incentive" programme, a 45% refundable tax offset is available for companies with annual turnover of less than \$20 million. The Group recognises refundable tax offsets received in the financial year as an income tax benefit, in profit or loss, resulting from the monetisation of available tax losses that otherwise would have been carried forward.

#### **(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, 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.



## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The useful life for each class of depreciable assets are:

| Class of Fixed Asset   | Useful Life  |
|------------------------|--------------|
| Leasehold improvements | 3 - 7 years  |
| Buildings              | 20 years     |
| Plant and equipment    | 2 - 20 years |
| Motor vehicles         | 6 - 10 years |

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.

#### (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.

#### (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.

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 acquiree, and

## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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.

#### (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 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 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**

The Group generates revenues from management fees charged to joint operation partners for the management of exploration activities. This revenue is recognised when the management services are provided.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Interest income is reported on an accruals basis using the effective interest method.

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 capitalised exploration and evaluation expenditure are credited against the exploration and evaluation assets to which they relate in order to match the grants received with the expenditure the grants are intended to compensate.

#### **(r) Comparative Figures**

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

#### **(s) Critical Accounting Estimates and Judgements**

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 fair value less cost of disposal 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 \$8,660,998 (2017: \$8,969,026).

#### **(t) Changes in Accounting Policies**

##### **New and amended standards adopted by the Group**

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. Information on the more significant standard(s) is presented below.

*AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*

AASB 2016-1 amends AASB 112 *Income Taxes* to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

AASB 2016-1 is applicable to annual reporting periods beginning on or after 1 January 2017.

*AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

AASB 2016-2 amends AASB 107 *Statement of Cash Flows* to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide

## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

AASB 2016-2 is applicable to annual reporting periods beginning on or after 1 January 2017.

The adoption of these standards has not had a material impact on the Group.

#### **(u) Standards, Amendments and Interpretations to Existing Standards that are not yet effective and have not been adopted early by the group**

Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

#### **AASB 9 Financial Instruments**

In December 2014, the AASB issued the final version of AASB 9 Financial Instruments that replaces AASB 139 Financial Instruments: Recognition and Measurement and all previous versions of AASB 9. AASB 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date and will not restate comparative information.

During 2018, the Group has performed a detailed impact assessment of all three aspects of AASB 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2019 when the Group will adopt AASB 9. Overall, the Group expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of AASB 9.

In addition, the Group will implement changes in classification of certain financial instruments.

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of AASB 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as

available-for-sale with gains and losses recorded in OCI will, continue to be recognised through OCI with an irrevocable election being made. This will result in all fair value gains and losses, whether realised or unrealised to be quarantined in OCI and not recycled to the statement of profit or loss and other comprehensive income.

#### **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 the conflict between AASB 10 and AASB 128 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in AASB 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these amendments when they become effective.

#### **AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions**

The AASB issued amendments to AASB 2 Share-based Payment that address three main areas:

- the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
- accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group is assessing the potential effect of the amendments on its consolidated financial statements.

#### **AASB 15 Revenue from Contracts with Customers**

AASB 15 was issued in December 2014, and amended in May 2016, and establishes a five-step model to account for

revenue arising from contracts with customers.

Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Australian Accounting Standards. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Given the nature of revenue streams of the Group, the introduction of AASB 15 is not expected to have a material impact on the Group.

#### **AASB 16 Leases**

AASB 16 was issued in February 2016 and it replaces AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases-Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. AASB 16 also requires lessees and lessors to make more extensive disclosures than under AASB 117.

AASB 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies AASB 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2019, the Group will continue to assess the potential effect of AASB 16 on its consolidated financial statements.

#### **AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts**

The amendments address concerns arising from implementing the new financial instruments standard, AASB 9, before implementing AASB 17 Insurance Contracts, which replaces AASB 4.

The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying AASB 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018. An entity may elect the overlay approach when it first applies AASB 9 and apply that approach retrospectively to financial assets designated on transition to AASB 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying AASB 9. These amendments are not applicable to the Group.

#### **AASB Interpretation 23 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances.

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply interpretation from its effective date. The Group is assessing the potential effect of the amendments on its consolidated financial statements.



## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 2 PARENT INFORMATION

|                              | 30 June 2018<br>\$ | 30 June 2017<br>\$ |
|------------------------------|--------------------|--------------------|
| <b>Assets</b>                |                    |                    |
| Current assets               | 2,007,276          | 1,710,076          |
| Non-current assets           | 9,564,780          | 10,427,329         |
|                              | <b>11,572,056</b>  | <b>12,137,405</b>  |
| <b>Liabilities</b>           |                    |                    |
| Current liabilities          | 992,067            | 895,576            |
| Non-current liabilities      | 399,728            | 458,365            |
|                              | <b>1,391,795</b>   | <b>1,353,941</b>   |
| <b>Equity</b>                |                    |                    |
| Issued capital               | 44,940,370         | 42,935,000         |
| Reserves – Share option      | 1,032,205          | 1,178,476          |
| Accumulated losses           | (35,792,314)       | (33,330,012)       |
|                              | <b>10,180,261</b>  | <b>10,783,464</b>  |
| <b>Financial performance</b> |                    |                    |
| Loss for the year            | (2,660,594)        | (3,771,830)        |
| Other comprehensive income   | -                  | -                  |
|                              | <b>(2,660,594)</b> | <b>(3,771,830)</b> |

#### Guarantees

Minotaur Exploration Limited 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 23. 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 21. 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.

#### 4 REVENUE AND EXPENSES

|  | <b>Consolidated Group</b> |                     |
|--|---------------------------|---------------------|
|  | <b>30 June 2018</b>       | <b>30 June 2017</b> |
|  | <b>\$</b>                 | <b>\$</b>           |
| <b>(a) Revenue</b>                                     |                           |                     |
| Administration fees                                    | 190,559                   | 220,054             |
| Rent received  | 23,133                    | 22,635              |
| Bank interest received or receivable                   | 10,870                    | 26,234              |
|  | <b>224,562</b>            | <b>268,923</b>      |
| <b>(b) Other income</b>                                |                           |                     |
| Net gain on disposal of available-for-sale investments | 8,799                     | 28,915              |
| Net loss on disposal of property, plant and equipment  | -                         | (316)               |
| Initial recognition of listed shares                   | -                         | 44,221              |
| Option, exclusivity and signing fees received          | 170,000                   | -                   |
| Net gain on disposal of exploration assets             | 52,760                    | 180,688             |
|  | <b>231,559</b>            | <b>253,508</b>      |
| <b>(c) Expenses</b>                                    |                           |                     |
| <i>Impairment of non-current assets</i>                |                           |                     |
| Impairment of exploration and evaluation assets        | 1,342,979                 | 2,091,726           |
| Impairment of available-for-sale financial assets      | 40,003                    | 25,041              |
| <b>Total impairment of non-current assets</b>          | <b>1,382,982</b>          | <b>2,116,767</b>    |
| <i>Project generation costs</i>                        |                           |                     |
| Project generation costs                               | 684,780                   | 1,056,673           |
| <b>Total project generation costs</b>                  | <b>684,780</b>            | <b>1,056,673</b>    |
| <i>Depreciation of non-current assets</i>              |                           |                     |
| Buildings  | 7,937                     | 7,937               |
| Leasehold improvements                                 | 92,173                    | 92,173              |
| Plant and equipment                                    | 20,018                    | 48,945              |
| Motor vehicles   | 30,762                    | 15,080              |
| <b>Total depreciation of non-current assets</b>        | <b>150,890</b>            | <b>164,135</b>      |
| <i>Finance expenses</i>                                |                           |                     |
| Finance costs  | -                         | 55                  |
| Interest applicable to hire-purchase contracts         | -                         | 645                 |
| <b>Total finance expenses</b>                          | <b>-</b>                  | <b>700</b>          |

## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 4 REVENUE AND EXPENSES

|   | <b>Consolidated Group</b> |                     |
|---|---------------------------|---------------------|
|   | <b>30 June 2018</b>       | <b>30 June 2017</b> |
|   | <b>\$</b>                 | <b>\$</b>           |
| <b>(d) Employee benefits expense</b>                            |                           |                     |
| Wages, salaries, directors fees and other remuneration expenses | 2,267,088                 | 2,267,164           |
| Superannuation expense  | 165,283                   | 166,951             |
| Transfer (from)/to annual leave provision                       | (20,410)                  | 22,370              |
| Transfer to long service leave provision                        | 50,518                    | 8,322               |
| Share options expense   | 52,020                    | 415,755             |
| Transfer to exploration assets                                  | (1,823,854)               | (2,069,972)         |
|   | <b>690,645</b>            | <b>810,590</b>      |
| <b>(e) Other expenses</b>                                       |                           |                     |
| Professional and consultancy                                    | 220,689                   | 228,755             |
| Employee taxes and levies                                       | 83,379                    | 113,192             |
| Occupancy costs   | 228,708                   | 251,981             |
| Insurance costs   | 53,161                    | 53,248              |
| ASX/ASIC costs  | 37,988                    | 37,873              |
| Share register maintenance                                      | 31,654                    | 48,163              |
| Communication costs   | 9,013                     | 11,023              |
| Promotion and seminars  | 32,208                    | 22,393              |
| Audit fees  | 48,757                    | 44,178              |
| Other expenses  | 160,859                   | 78,651              |
|   | <b>906,416</b>            | <b>889,457</b>      |

### 5 INCOME TAX BENEFIT

|  | <b>Consolidated Group</b> |                     |
|--|---------------------------|---------------------|
|  | <b>30 June 2018</b>       | <b>30 June 2017</b> |
|  | <b>\$</b>                 | <b>\$</b>           |
| The major components of income tax benefit are:            |                           |                     |
| <b>Statement of comprehensive income</b>                   |                           |                     |
| <i>Current income tax</i>                                  |                           |                     |
| Current income tax charge                                  | -                         | -                   |
| Research and development tax incentive                     | (843,541)                 | (695,475)           |
| <b>Income tax benefit reported in the income statement</b> | <b>(843,541)</b>          | <b>(695,475)</b>    |



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:

|   | <b>Consolidated Group</b> |                     |
|---|---------------------------|---------------------|
|   | <b>30 June 2018</b>       | <b>30 June 2017</b> |
|   | <b>\$</b>                 | <b>\$</b>           |
| Accounting (loss)/profit before income tax                        | (3,359,592)               | (4,515,891)         |
| At the Group's statutory income tax rate of 27.5% (2017: 27.5%)   | (923,888)                 | (1,241,870)         |
| Expenditure not allowable for income tax purposes                 | 14,825                    | 115,689             |
| Research and development tax incentive                            | (843,541)                 | (695,475)           |
| Tax losses not recognised due to not meeting recognition criteria | 909,063                   | 1,126,181           |
|   | <b>(843,541)</b>          | <b>(695,475)</b>    |

The Group has tax losses arising in Australia of \$84,461,055 (2017: \$83,582,234) that are available indefinitely for offset against future taxable profits generated by the Group. In addition the Group has \$8,055,232 (2017: \$8,122,131) capital losses available. These losses include \$72,537,535 tax losses and \$2,323,426 capital losses transferred by members to the tax consolidated group. The utilisation of these losses will be restricted to their available fraction.

#### **Tax Consolidation**

Minotaur Exploration Ltd and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 5 February 2005. Breakaway Resources Ltd and its subsidiaries were included in the tax consolidated group upon their acquisition on 5 December 2013. Minotaur Gold Solutions Pty Ltd joined the income tax consolidated group on 31 March 2017. Minotaur Exploration Ltd is the head entity of the tax consolidated group.

## **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:

|   | <b>Consolidated Group</b> |                     |
|---|---------------------------|---------------------|
|   | <b>30 June 2018</b>       | <b>30 June 2017</b> |
| Net loss attributable to ordinary equity holders of the parent                        | (\$2,516,051)             | (\$3,814,220)       |
| Weighted average number of ordinary shares for basic earnings per share               | 240,592,566               | 212,373,155         |
| <i>Effect of dilution</i>   |                           |                     |
| Share options   | -                         | -                   |
| <b>Weighted average number of ordinary shares adjusted for the effect of dilution</b> | <b>240,592,566</b>        | <b>212,373,155</b>  |

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 2018.

As no dilutive effect has been taken into account for 2018, 26,268,333 potential ordinary shares have not been included in the calculation.

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.

## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 7 CASH AND CASH EQUIVALENTS

|                                  | <i>Consolidated Group</i> |                    |
|----------------------------------|---------------------------|--------------------|
|                                  | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| <b>Cash and cash equivalents</b> |                           |                    |
| Cash at bank and on hand         | 1,841,941                 | 2,153,167          |
| Short-term deposits              | 178,100                   | 178,100            |
|                                  | <b>2,020,041</b>          | <b>2,331,267</b>   |

#### Reconciliation to Statement of Cash Flows

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

|   | <i>Consolidated Group</i> |                    |
|---|---------------------------|--------------------|
|   | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| Cash at bank and on hand  | 1,841,941                 | 2,153,167          |
| Short-term deposits   | 178,100                   | 178,100            |
|   | <b>2,020,041</b>          | <b>2,331,267</b>   |
| <b>Reconciliation of net loss after tax to net cash flows from operations</b>                                 |                           |                    |
| Net loss  | (2,516,051)               | (3,820,416)        |
| <i>Adjustments for non-cash items:</i>  |                           |                    |
| Depreciation  | 150,890                   | 164,135            |
| Impairment of non-current assets and project generation costs   | 2,067,762                 | 3,173,440          |
| Net gain on disposal of property, plant and equipment, available-for-sale financial instruments and tenements | (231,559)                 | (209,287)          |
| Share options expensed  | 52,020                    | 415,755            |
| Initial recognition of listed shares  | -                         | (44,221)           |
| <i>Changes in assets and liabilities:</i>   |                           |                    |
| (Increase)/decrease in trade and other receivables  | 686                       | 6,624              |
| (Increase)/decrease in accrued R&D tax incentive  | (372,690)                 | -                  |
| (Increase)/decrease in prepayments  | 4,519                     | 3,481              |
| (Decrease)/increase in trade and other payables   | (99,307)                  | (155,025)          |
| (Decrease)/increase in employee provisions  | 30,109                    | 30,691             |
| <b>Net cash used in operating activities</b>  | <b>(913,621)</b>          | <b>(434,823)</b>   |

Included in short-term deposits is \$178,100 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 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.

## 8 TRADE AND OTHER RECEIVABLES

|                                   | <i>Consolidated Group</i> |                    |
|-----------------------------------|---------------------------|--------------------|
|                                   | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| Trade receivables (i)             | 127,726                   | 404,123            |
| Sale of tenements receivable (ii) | -                         | 300,000            |
|                                   | <b>127,726</b>            | <b>704,123</b>     |

- (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 2017 and 2018 and no receivables are past due at balance date.
- (ii) On 2 March 2017, Minotaur Gold Solutions Pty Ltd entered into a tenement sale and purchase agreement with Shine Resources Pty Ltd for the sale of P29/2121, E29/661 and M24/336 for a total consideration of \$550,000. As at 30 June 2017 the Group had received a total of \$250,000 with the balance of \$300,000 in the year ended 30 June 2018.

Information regarding the credit risk of current receivables is set out in Note 26.

## 9 OTHER CURRENT ASSETS

|                             | <i>Consolidated Group</i> |                    |
|-----------------------------|---------------------------|--------------------|
|                             | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| Prepayments                 | 48,536                    | 53,053             |
| Accrued income              | -                         | 687                |
| Accrued R&D tax incentive   | 372,690                   | -                  |
| Net GST and PAYG receivable | 16,614                    | 42,027             |
| Other                       | 15,000                    | 15,000             |
|                             | <b>452,840</b>            | <b>110,767</b>     |

## 10 AVAILABLE-FOR-SALE INVESTMENTS

At fair value – Shares, listed:

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Opening balance                      | 718,494        | 636,971        |
| Revaluations                         | (127,111)      | 76,58          |
| Disposals                            | (33,025)       | (155,000)      |
| Initial recognition of listed shares | -              | 44,221         |
| Acquisitions                         | -              | 140,757        |
| Impairments                          | (40,003)       | (25,041)       |
|                                      | <b>518,355</b> | <b>718,494</b> |



## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 11 PROPERTY, PLANT AND EQUIPMENT

| 30 June 2018                    | Land and Buildings | Leasehold Improvements | Plant and Equipment | Kaolin Pilot Plant | Motor Vehicles | Total            |
|---------------------------------|--------------------|------------------------|---------------------|--------------------|----------------|------------------|
| <i>Cost</i>                     |                    |                        |                     |                    |                |                  |
| Opening balance                 | 508,723            | 611,218                | 352,658             | 283,765            | 187,253        | 1,943,617        |
| Additions                       | -                  | -                      | 20,627              | -                  | -              | 20,627           |
| Disposals                       | -                  | -                      | -                   | -                  | -              | -                |
|                                 | <b>508,723</b>     | <b>611,218</b>         | <b>373,285</b>      | <b>283,765</b>     | <b>187,253</b> | <b>1,964,244</b> |
| <i>Accumulated depreciation</i> |                    |                        |                     |                    |                |                  |
| Opening balance                 | 23,811             | 428,907                | 311,672             | 283,765            | 142,014        | 1,190,169        |
| Depreciation for the year       | 7,937              | 92,173                 | 20,018              | -                  | 30,762         | 150,890          |
| Disposals                       | -                  | -                      | -                   | -                  | -              | -                |
|                                 | <b>31,748</b>      | <b>521,080</b>         | <b>331,690</b>      | <b>283,765</b>     | <b>172,776</b> | <b>1,341,059</b> |
| <b>Net book value</b>           | <b>476,975</b>     | <b>90,138</b>          | <b>41,595</b>       | <b>-</b>           | <b>14,477</b>  | <b>623,185</b>   |

Property is measured at historical cost less accumulated depreciation. Land and buildings with a net book value of \$476,975 (2017: \$484,912) is offered as security against a mortgage of \$392,000.

| 30 June 2017                    | Land and Buildings | Leasehold Improvements | Plant and Equipment | Kaolin Pilot Plant | Motor Vehicles | Total            |
|---------------------------------|--------------------|------------------------|---------------------|--------------------|----------------|------------------|
| <i>Cost</i>                     |                    |                        |                     |                    |                |                  |
| Opening balance                 | 508,723            | 611,218                | 398,926             | 283,765            | 187,253        | 1,989,885        |
| Additions                       | -                  | -                      | 3,622               | -                  | -              | 3,622            |
| Disposals                       | -                  | -                      | (49,890)            | -                  | -              | (49,890)         |
|                                 | <b>508,723</b>     | <b>611,218</b>         | <b>352,658</b>      | <b>283,765</b>     | <b>187,253</b> | <b>1,943,617</b> |
| <i>Accumulated depreciation</i> |                    |                        |                     |                    |                |                  |
| Opening balance                 | 15,874             | 336,734                | 302,301             | 260,326            | 126,934        | 1,042,169        |
| Depreciation for the year       | 7,937              | 92,173                 | 48,945              | 23,439             | 15,080         | 187,574          |
| Disposals                       | -                  | -                      | (39,574)            | -                  | -              | (39,574)         |
|                                 | <b>23,811</b>      | <b>428,907</b>         | <b>311,672</b>      | <b>283,765</b>     | <b>142,014</b> | <b>1,190,169</b> |
| <b>Net book value</b>           | <b>484,912</b>     | <b>182,311</b>         | <b>40,986</b>       | <b>-</b>           | <b>45,239</b>  | <b>753,448</b>   |

## 12 EXPLORATION AND EVALUATION ASSETS

|   | <i>Consolidated Group</i> |                     |
|---|---------------------------|---------------------|
|   | <b>30 June 2018</b>       | <b>30 June 2017</b> |
|   | <b>\$</b>                 | <b>\$</b>           |
| <b>Exploration, evaluation and development costs carried forward in respect of mining areas of interest</b> |                           |                     |
| Exploration and evaluation phase – Joint Operations   | 7,483,688                 | 5,597,913           |
| Exploration and evaluation phase – Other  | 1,177,310                 | 3,371,113           |
|   | <b>8,660,998</b>          | <b>8,969,026</b>    |

### *Capitalised tenement expenditure movement reconciliation – Consolidated Group:*

|  | <b>Exploration<br/>Joint Operations</b> | <b>Exploration Other</b> | <b>Total</b>     |
|--|---|--------------------------|------------------|
| <b>30 June 2018</b>                              | <b>\$</b>                               | <b>\$</b>                | <b>\$</b>        |
| Balance at beginning of year                     | 5,597,913                               | 3,371,113                | 8,969,026        |
| Additions through expenditure capitalised        | 4,706,663                               | 1,018,115                | 5,724,778        |
| Reductions through joint operation contributions | (4,689,827)                             | -                        | (4,689,827)      |
| Write-off of tenements relinquished              | (16,837)                                | (1,326,142)              | (1,342,979)      |
| Transfers between categories                     | 1,885,776                               | (1,885,776)              | -                |
| <b>Balance at end of year</b>                    | <b>7,483,688</b>                        | <b>1,177,310</b>         | <b>8,660,998</b> |

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| <b>30 June 2017</b>                              |                  |                  |                  |
| Balance at beginning of year                     | 6,322,354        | 3,894,698        | 10,217,052       |
| Additions through expenditure capitalised        | 3,836,889        | 1,429,671        | 5,266,560        |
| Reductions through joint operation contributions | (3,727,296)      | -                | (3,727,296)      |
| Write-off of tenements relinquished              | (871,879)        | (1,219,847)      | (2,091,726)      |
| Disposals  | (6,080)          | (473,232)        | (479,312)        |
| Project generation costs                         | -                | (216,252)        | (216,252)        |
| Transfers between categories                     | 43,925           | (43,925)         | -                |
| <b>Balance at end of year</b>                    | <b>5,597,913</b> | <b>3,371,113</b> | <b>8,969,026</b> |

The impairment expense of \$1,342,979 (2017: \$2,091,726) arose from a review of the Group's capitalised costs and the relevant tenements to which the costs related.

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.

## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 13 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.

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 1 month 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 (d).

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:

|   | 2018<br>Number   | 2018<br>WAEP  | 2017<br>Number   | 2017<br>WAEP  |
|---|------------------|---------------|------------------|---------------|
| Outstanding at the beginning of the year  | 9,765,000        | \$0.18        | 8,125,000        | \$0.20        |
| Granted during the year                   | -                | -             | 2,685,000        | \$0.03        |
| Forfeited during the year                 | (1,575,000)      | \$0.25        | -                | -             |
| Expired during the year                   | (555,000)        | \$0.09        | (1,045,000)      | \$0.20        |
| <b>Outstanding at the end of the year</b> | <b>7,635,000</b> | <b>\$0.17</b> | <b>9,765,000</b> | <b>\$0.18</b> |
| <b>Exercisable at the end of the year</b> | <b>7,635,000</b> | <b>\$0.17</b> | <b>9,765,000</b> | <b>\$0.18</b> |

The outstanding balance as at 30 June 2018 is represented by:

- A total of 5,105,000 options exercisable at any time until 21 November 2019 with an exercise price of \$0.19.
- A total of 2,530,000 options exercisable at any time until 6 September 2021 with an exercise price of \$0.115.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2018 is 1.99 years (2017: 2.50 years).

The range of exercise prices for options outstanding at the end of the year was \$0.115 - \$0.19 (2017: \$0.115 - \$0.25).



### Share options issued to directors

On 8 December 2017, pursuant to a motion passed at the 2017 Annual General Meeting, the following unlisted options were issued to Mr George McKenzie.

| Number Granted | Grant Date | Value per Option at Grant Date \$ | Value of Options at Grant Date \$ | Number Vested | Exercise Price \$ | Last Exercise Date |
|----------------|------------|-----------------------------------|-----------------------------------|---------------|-------------------|--------------------|
| 2,000,000      | 08/12/17   | 0.02601                           | 52,020                            | 2,000,000     | 0.25              | 30/11/20           |

Share based payments, being options issued to Mr George McKenzie, were valued using a weighted average fair value of \$0.095, expected volatility of 77.1%, risk free interest rate of 2.12% and an expected life of 3 years. These options were recognised at fair value using the Black-Scholes pricing model.

## 14 TRADE AND OTHER PAYABLES

|  | <i>Consolidated Group</i> |                    |
|--|---------------------------|--------------------|
|  | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| Trade payables (i)                         | 757,823                   | 1,130,962          |
| Joint operation income received in advance | 178,641                   | 253,456            |
| Accrued expenses                           | 266,487                   | 431,167            |
| Other payables (ii)                        | 25,983                    | 24,233             |
|  | <b>1,228,934</b>          | <b>1,839,818</b>   |

(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.

Information regarding the credit risk of current payables is set out in Note 26.

## 15 BORROWINGS

|                    | <i>Consolidated Group</i> |                    |
|--------------------|---------------------------|--------------------|
|                    | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| <i>Current</i>     |                           |                    |
| Bank borrowings    | 25,986                    | -                  |
|                    | <b>25,986</b>             | -                  |
| <i>Non-current</i> |                           |                    |
| Bank borrowings    | 366,014                   | 392,000            |
|                    | <b>366,014</b>            | <b>392,000</b>     |

Bank borrowings reflect a secured interest and principal loan that is fully offset by unrestricted cash. There are no annual renewal or review terms.

## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 16 PROVISIONS

|                              | <i>Consolidated Group</i> |                    |
|------------------------------|---------------------------|--------------------|
|                              | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| <i>Current</i>               |                           |                    |
| Annual leave provision       | 162,971                   | 183,381            |
| Long service leave provision | 405,266                   | 322,097            |
|                              | <b>568,237</b>            | <b>505,478</b>     |
| <i>Non-current</i>           |                           |                    |
| Long service leave provision | 33,714                    | 66,365             |
|                              | <b>33,714</b>             | <b>66,365</b>      |

### 17 ISSUED CAPITAL

|  |                   |                   |
|--|-------------------|-------------------|
| 252,488,374 fully paid ordinary shares (2017: 212,386,616) | <b>44,940,370</b> | <b>42,935,000</b> |
|--|-------------------|-------------------|

|   | <i>2018</i>        |                   | <i>2017</i>        |                   |
|---|--------------------|-------------------|--------------------|-------------------|
|   | Number             | \$                | Number             | \$                |
| Balance at beginning of financial year                          | 212,386,616        | 42,935,000        | 212,344,322        | 42,930,982        |
| Issue of shares through Share Placement and Share Purchase Plan | 39,296,603         | 2,043,422         | -                  | -                 |
| Issue of shares through exercise of options                     | 805,155            | 76,489            | 42,294             | 4,018             |
| Transaction costs on shares issued                              | N/A                | (114,541)         | -                  | -                 |
| <b>Balance at end of financial year</b>                         | <b>252,488,374</b> | <b>44,940,370</b> | <b>212,386,616</b> | <b>42,935,000</b> |

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

### 18 RESERVES

|   | <i>Consolidated Group</i> |                    |
|---|---------------------------|--------------------|
|   | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| <b>Reserves</b>   |                           |                    |
| Share option reserve (a)  | 1,032,205                 | 1,178,476          |
| Available-for-sale revaluation reserve (b)                                  | 110,188                   | 254,731            |
|   | <b>1,142,393</b>          | <b>1,433,207</b>   |
| <b>(a) Share option reserve</b>   |                           |                    |
| Balance at beginning of financial year                                      | 1,178,476                 | 836,498            |
| Issue of options to employees and officers under employee share option plan | -                         | 109,280            |
| Issue of options to directors of the Company                                | 52,020                    | 306,475            |
| Transfer to retained earnings upon lapse of options                         | (198,291)                 | (73,777)           |
| <b>Balance at end of financial year</b>                                     | <b>1,032,205</b>          | <b>1,178,476</b>   |

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.

| <i>Consolidated Group</i>                         |                     |                     |
|---|---------------------|---------------------|
|   | <b>30 June 2018</b> | <b>30 June 2017</b> |
|   | <b>\$</b>           | <b>\$</b>           |
| <b>(b) Available-for-sale revaluation reserve</b> |                     |                     |
| Balance at beginning of financial year            | 254,731             | 208,146             |
| Transfer upon disposal of listed shares           | (488)               | -                   |
| Net revaluation (decrement)/increment             | (144,055)           | 46,585              |
| <b>Balance at end of financial year</b>           | <b>110,188</b>      | <b>254,731</b>      |

The available-for-sale revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

## 19 ACCUMULATED LOSSES

| <i>Consolidated Group</i>   |                     |                     |
|---|---------------------|---------------------|
|   | <b>30 June 2018</b> | <b>30 June 2017</b> |
|   | <b>\$</b>           | <b>\$</b>           |
| Balance at beginning of financial year                                | (33,584,743)        | (29,842,301)        |
| Net loss attributable to members of the parent entity                 | (2,516,051)         | (3,814,220)         |
| Transfer from share option reserve – lapsed options                   | 198,291             | 73,777              |
| Adjustment upon increase in ownership percentage in controlled entity | -                   | (1,999)             |
| <b>Balance at end of financial year</b>                               | <b>(35,902,503)</b> | <b>(33,584,743)</b> |

## 20 NON-CONTROLLING INTEREST

|  |          |          |
|--|----------|----------|
| Balance at beginning of financial year                                     | -        | 4,197    |
| Conversion of non-controlling interest loan to equity in controlled entity | -        | -        |
| Adjustment upon increase in ownership percentage in controlled entity      | -        | 1,999    |
| Net profit/(loss) attributable to non-controlling interest                 | -        | (6,196)  |
| <b>Balance at end of financial year</b>                                    | <b>-</b> | <b>-</b> |

## 21 COMMITMENTS FOR EXPENDITURE

### *Operating leases*

|  |                |                |
|--|----------------|----------------|
| Not longer than 1 year                         | 361,483        | 356,357        |
| Longer than 1 year and not longer than 5 years | 8,802          | 356,963        |
|  | <b>370,285</b> | <b>713,320</b> |

### **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.



## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 21 COMMITMENTS FOR EXPENDITURE

#### Exploration licences

In order to maintain current rights of tenure to exploration tenements the Group will be required to outlay in the year ending 30 June 2019 amounts of approximately \$2.9 million in respect of exploration licence rentals and to meet minimum expenditure requirements. It is expected that of this minimum expenditure requirement, \$1.5 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.

### 22 AUDITOR'S REMUNERATION

|   | <i>Consolidated Group</i> |                    |
|---|---------------------------|--------------------|
|   | 30 June 2018<br>\$        | 30 June 2017<br>\$ |
| Audit or review of the financial report | 48,757                    | 44,178             |
| Taxation compliance                     | 17,700                    | 9,500              |
| <b>Total auditor's remuneration</b>     | <b>66,457</b>             | <b>53,678</b>      |

### 23 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 \$165,000 at 30 June 2018 (2017: \$165,000). These guarantees are designed to act as collateral over the tenements which Minotaur explores on and can be used by the relevant Government authorities in the event that Minotaur does not sufficiently rehabilitate the land it explores on. It is noted that the bank guarantees have, as at the date of signing this report, never been utilised by any State Government.

### 24 CONTROLLED ENTITIES

| Name of entity                              | Country of incorporation | Ownership interest |           |
|---|--------------------------|--------------------|-----------|
|   |                          | 2018<br>%          | 2017<br>% |
| 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 (ii)            | Australia                | 100                | 100       |
| Scotia Nickel Pty Ltd (ii)                  | Australia                | 100                | 100       |
| Altia Resources Pty Ltd (ii)                | Australia                | 100                | 100       |
| Levuka Resources Pty Ltd (ii)               | Australia                | 100                | 100       |
| BMV Properties Pty Ltd (ii)                 | Australia                | 100                | 100       |
| Minotaur Gold Solutions Pty Ltd (ii)        | Australia                | 100                | 100       |

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

(ii) These companies are members of the tax consolidated group.

## 25 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:

### 30 June 2018

| Financial assets            | Note   | AFS<br>\$                      | Cash<br>\$                         | Loans and<br>Receivables<br>\$ | Total<br>\$      |
|-----------------------------|--------|--------------------------------|------------------------------------|--------------------------------|------------------|
|                             |        | <i>(Carried at fair value)</i> | <i>(Carried at amortised cost)</i> |                                |                  |
| Cash and cash equivalents   | 7      | -                              | 2,020,041                          | -                              | 2,020,041        |
| Trade and other receivables | 8      | -                              | -                                  | 127,726                        | 127,726          |
| Available-for-sale assets   | 10, 27 | 518,355                        | -                                  | -                              | 518,355          |
|                             |        | <b>518,355</b>                 | <b>2,020,041</b>                   | <b>127,726</b>                 | <b>2,666,122</b> |

| Financial liabilities    | Note       | Payables<br>\$   | Borrowings<br>\$                   | Total<br>\$      |
|--------------------------|------------|------------------|------------------------------------|------------------|
|                          |            |                  | <i>(Carried at amortised cost)</i> |                  |
| Trade and other payables | 14         | 1,228,934        | -                                  | 1,228,934        |
| Current borrowings       | 15, 25 (a) | -                | 25,986                             | 25,986           |
| Non-current borrowings   | 15, 25 (a) | -                | 366,014                            | 366,014          |
|                          |            | <b>1,228,934</b> | <b>392,000</b>                     | <b>1,620,934</b> |

### 30 June 2017

| Financial assets            | Note   | AFS<br>\$                      | Cash<br>\$                         | Loans and<br>Receivables<br>\$ | Total<br>\$      |
|-----------------------------|--------|--------------------------------|------------------------------------|--------------------------------|------------------|
|                             |        | <i>(Carried at fair value)</i> | <i>(Carried at amortised cost)</i> |                                |                  |
| Cash and cash equivalents   | 7      | -                              | 2,331,267                          | -                              | 2,331,267        |
| Trade and other receivables | 8      | -                              | -                                  | 704,123                        | 704,123          |
| Available-for-sale assets   | 10, 27 | 718,494                        | -                                  | -                              | 718,494          |
|                             |        | <b>718,494</b>                 | <b>2,331,267</b>                   | <b>704,123</b>                 | <b>3,753,884</b> |

| Financial liabilities    | Note       | Payables<br>\$   | Borrowings<br>\$                   | Total<br>\$      |
|--------------------------|------------|------------------|------------------------------------|------------------|
|                          |            |                  | <i>(Carried at amortised cost)</i> |                  |
| Trade and other payables | 14         | 1,839,818        | -                                  | 1,839,818        |
| Non-current borrowings   | 15, 25 (a) | -                | 392,000                            | 392,000          |
|                          |            | <b>1,839,818</b> | <b>392,000</b>                     | <b>2,231,818</b> |

A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 26. The methods used to measure financial assets and liabilities reported at fair value are described in Note 27.

## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 25 FINANCIAL ASSETS AND LIABILITIES

#### 25(a) BORROWINGS

Borrowings include the financial liabilities:

| Financial liabilities | Current       |          | Non-Current    |                |
|-----------------------|---------------|----------|----------------|----------------|
|                       | 2018          | 2017     | 2018           | 2017           |
| <i>Fair value</i>     |               |          |                |                |
| Bank borrowings       | 25,986        | -        | 366,014        | 392,000        |
|                       | <b>25,986</b> | <b>-</b> | <b>366,014</b> | <b>392,000</b> |

All borrowings are denominated in AUD.

#### **Borrowings at amortised cost**

Bank borrowings are secured by land and buildings owned by the Group (see Note 11). Current interest rates are variable and average 4.78% (2017: 4.95%). 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

### 26 FINANCIAL RISK MANAGEMENT

#### **Capital 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 17, 18, 19 respectively. Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs.

|                              | Consolidated Group |                    |
|------------------------------|--------------------|--------------------|
|                              | 30 June 2018<br>\$ | 30 June 2017<br>\$ |
| <i>Financial assets</i>      |                    |                    |
| Cash and cash equivalents    | 2,020,041          | 2,331,267          |
| Trade and other receivables  | 127,726            | 704,123            |
| Available-for-sale assets    | 518,355            | 718,494            |
| <i>Financial liabilities</i> |                    |                    |
| Payables                     | 1,228,934          | 1,839,818          |
| Borrowings                   | 392,000            | 392,000            |

**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).

| <i>Consolidated</i>    | <b>Weighted average<br/>effective interest rate<br/>%</b> | <b>Less than 1 year<br/>\$</b> |
|------------------------|---|--------------------------------|
| <b>2018</b>            |   |                                |
| Variable interest rate | 0.50  | 2,020,041                      |
| <b>2017</b>            |   |                                |
| Variable interest rate | 1.10  | 2,331,267                      |

At the 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 \$10,878 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.

**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.

| <i>Consolidated</i>  | <b>Weighted average<br/>effective interest rate<br/>%</b> | <b>Less than 1 year<br/>\$</b> | <b>Longer than 1 year and<br/>not longer than 5 years<br/>\$</b> |
|----------------------|---|--------------------------------|--|
| <b>2018</b>          |   |                                |  |
| Interest bearing     | 4.78  | 25,986                         | 366,014  |
| Non-interest bearing | -   | 1,228,934                      | -  |
| <b>2017</b>          |   |                                |  |
| Interest bearing     | 4.95  | -                              | 392,000  |
| Non-interest bearing | -   | 1,839,818                      | -  |

**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.



## Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

### 27 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 2018 and 30 June 2017:

|                                       | Level 1<br>\$  | Level 2<br>\$ | Level 3<br>\$ | Total<br>\$    |
|---------------------------------------|----------------|---------------|---------------|----------------|
| <b>30 June 2018</b>                   |                |               |               |                |
| <b>Financial assets at fair value</b> |                |               |               |                |
| <i>Available-for-sale investments</i> |                |               |               |                |
| Listed securities                     | 518,355        | -             | -             | 518,355        |
|                                       | <b>518,355</b> | <b>-</b>      | <b>-</b>      | <b>518,355</b> |
| <b>30 June 2017</b>                   |                |               |               |                |
| <b>Financial assets at fair value</b> |                |               |               |                |
| <i>Available-for-sale investments</i> |                |               |               |                |
| Listed securities                     | 718,494        | -             | -             | 718,494        |
|                                       | <b>718,494</b> | <b>-</b>      | <b>-</b>      | <b>718,494</b> |

There were no transfers between Level 1 and Level 2 in 2018 or 2017.

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.

### 28 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':

#### Directors

|                     |                        |
|---------------------|------------------------|
| Dr Antonio Belperio | Executive Director     |
| Dr Roger Higgins    | Non-Executive Chairman |
| Mr George McKenzie  | Non-Executive Director |
| Mr Andrew Woskett   | Managing Director      |

#### Other key management personnel

|                 |  |
|-----------------|--|
| Mr Varis Lidums | Commercial Manager and Company Secretary |
| Mr Glen Little  | Exploration Manager                      |

Key management personnel remuneration includes the following expenses:

|   | 30 June 2018<br>\$ | 30 June 2017<br>\$ |
|---|--------------------|--------------------|
| Salaries including bonuses                | 1,057,411          | 1,046,484          |
| <b>Total short term employee benefits</b> | <b>1,057,411</b>   | <b>1,046,484</b>   |
| Superannuation                            | 53,840             | 53,809             |
| <b>Total post-employment benefits</b>     | <b>53,840</b>      | <b>53,809</b>      |
| Share based payments                      | 52,020             | 332,930            |
| <b>Total share based payments</b>         | <b>52,020</b>      | <b>332,930</b>     |
| <b>Total remuneration</b>                 | <b>1,163,271</b>   | <b>1,433,223</b>   |

#### **Transactions with associates**

Throughout the year no transactions took place between Minotaur Exploration Limited and any associates (2017: \$Nil). In addition, no amounts were owed by any associates at the end of the year (2017: \$Nil).

#### **Director and key management personnel related entities**

Throughout the year \$54,470 (2017: \$53,500) (inclusive of GST) was paid to a related entity of Dr Antonio Belperio under a commercial lease agreement for the use of warehouse space located at Magill, South Australia.

Throughout the year, no other transactions took place between Minotaur Exploration Limited and any director or 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 24. 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.

## **29 POST-REPORTING DATE EVENTS**

On 4 July 2018, the following unlisted share options expired:

| Issue Date | Expiry Date | Exercise Price | Number of Options |
|------------|-------------|----------------|-------------------|
| 05/07/2013 | 04/07/2018  | \$0.300        | 2,083,333         |

On 26 July 2018, 5,152,883 fully paid ordinary shares were issued by the Company at an issue price of \$0.0534 as part consideration for the acquisition of the Highlands Project successfully completed on 20 July 2018.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future.

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. the consolidated financial statements and notes, as set out on pages 19 to 49, 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 2018 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 s 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.



**Roger Higgins**

*Chairman*

Dated this 28th day of August 2018



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## Independent Auditor's Report

To the Members of Minotaur Exploration Limited

Report on the audit of the financial report

### Opinion

We have audited the financial report of Minotaur Exploration Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, 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, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><b>Exploration and evaluation assets – Note 1, 4 &amp; 12</b></p> <p>At 30 June 2018, the carrying value of exploration and evaluation assets was \$8,660,998.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>obtaining management's reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li> <li>reviewing management's area of interest considerations against AASB 6;</li> <li>conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; <ul style="list-style-type: none"> <li>tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;</li> <li>enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;</li> <li>understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;</li> </ul> </li> <li>assessing the accuracy of impairment recorded for the year as it pertained to exploration interests;</li> <li>evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and</li> <li>assessing the appropriateness of the related financial statement disclosures.</li> </ul> |

## Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors' 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* and for 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.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

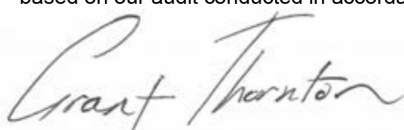
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

**Report on the remuneration report****Opinion on the remuneration report**

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2018. In our opinion, the Remuneration Report of Minotaur Exploration Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

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.

  
GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants  
I S Kemp  
Partner – Audit & Assurance

Adelaide, 28 August 2018

## Interests in Mining Tenements

as at 30 September 2018

| Lease ID                           | Lease Name                 | State | Holding Company     | Minotaur Equity<br>Equity Earned % | JV Partner   |  |
|------------------------------------|----------------------------|-------|---------------------|------------------------------------|--|--|
| Border Joint Venture               |                            |       |                     |                                    |  |  |
| EL5963                             | Mutooroo                   | SA    | Minotaur Operations | 47                                 | Sumitomo Metal Mining Oceania Pty Ltd                        |  |
| Cloncurry (Regional)               |                            |       |                     |                                    |  |  |
| EPM8608                            | Bendigo Park               | QLD   | Minotaur Operations | 100                                | South32 NSR  |  |
| EPM16975                           | Cattle Creek               | QLD   | Minotaur Operations | 100                                |  |  |
| EPM19530                           | Corella                    | QLD   | Minotaur Operations | 100                                |  |  |
| MDL432                             | Eloise                     | QLD   | Levuka Resources    | 40                                 |  |  |
| EPM25889                           | Sedan                      | QLD   | Minotaur Operations | 100                                | Sandfire Resources has 60% equity in the tenement            |  |
| Highlands                          |                            |       |                     |                                    |  |  |
| EPM16197                           | Blockade                   | QLD   | Minotaur Operations | 100                                |  |  |
| EPM17914                           | Blockade East              | QLD   | Minotaur Operations | 100                                |  |  |
| EPM17947                           | Blockade East Extension    | QLD   | Minotaur Operations | 100                                |  |  |
| EPM18671                           | Bulonga                    | QLD   | Minotaur Operations | 100                                |  |  |
| EPM19733                           | Mt Remarkable Consolidated | QLD   | Minotaur Operations | 100                                |  |  |
| EPM18492                           | Mr Remarkable Extension    | QLD   | Minotaur Operations | 100                                |  |  |
| EPM25824                           | Mt Remarkable Inclusion    | QLD   | Minotaur Operations | 100                                |  |  |
| EPM17638                           | Phillips Hill              | QLD   | Minotaur Operations | 100                                |  |  |
| EPM14281                           | Yamamilla                  | QLD   | Minotaur Operations | 100                                |  |  |
| Eloise Joint Venture (OZ Minerals) |                            |       |                     |                                    |  |  |
| MDL431                             | Eloise                     | QLD   | Levuka Resources    | 49                                 | Sandfire Resources has 60% equity in portion of the tenement |  |
| EPM19500                           | Eloise North               | QLD   | Minotaur Operations | 49                                 |  |  |
| EPM18442                           | Eloise Northwest           | QLD   | Levuka Resources    | 49                                 |  |  |
| EPM25389                           | Fullarton                  | QLD   | Minotaur Operations | 49                                 |  |  |
| EPM26703                           | Holy Joe                   | QLD   | Minotaur Operations | 49                                 |  |  |
| EPM17838                           | Levuka                     | QLD   | Levuka Resources    | 49                                 | Sandfire Resources has 60% equity in portion of the tenement |  |
| EPM25237                           | Levuka                     | QLD   | Minotaur Operations | 49                                 |  |  |
| EPM25801                           | Masai                      | QLD   | Levuka Resources    | 49                                 |  |  |
| EPM18624                           | Oorindi Park               | QLD   | Minotaur Operations | 49                                 |  |  |
| EPM26684                           | Pink Hut                   | QLD   | Minotaur Operations | 49                                 |  |  |
| EPM26233                           | Route 66                   | QLD   | Minotaur Operations | 49                                 |  |  |
| EPM25238                           | Saxby                      | QLD   | Minotaur Operations | 49                                 |  |  |
| EPM26521                           | Sybellah                   | QLD   | Minotaur Operations | 49                                 |  |  |
| Osborne Joint Venture (JOGMEC)     |                            |       |                     |                                    |  |  |
| EPM18720                           | Cuckadoo                   | QLD   | Minotaur Operations | 100                                |  |  |
| EPM25886                           | Hennes Bore                | QLD   | Minotaur Operations | 100                                |  |  |
| EPM25960                           | Jubilee                    | QLD   | Minotaur Operations | 100                                |  |  |
| EPM26230                           | Nithsdale                  | QLD   | Minotaur Operations | 100                                |  |  |
| EPM18571                           | Sandy Creek                | QLD   | Minotaur Operations | 100                                |  |  |
| EPM25888                           | Tripod Tank                | QLD   | Minotaur Operations | 100                                |  |  |
| EPM25699                           | Warburton Creek            | QLD   | Minotaur Operations | 100                                |  |  |

## Interests in Mining Tenements as at 30 September 2018

| Lease ID                    | Lease Name      | State | Holding Company                  | Minotaur Equity<br>Equity Earned % | JV Partner  |
|-----------------------------|-----------------|-------|----------------------------------|------------------------------------|---|
| Industrial Minerals Project |                 |       |                                  |                                    |   |
| EL5906                      | Acraman         | SA    | Minotaur Operations              | 100                                | Andromeda Metals Limited                                  |
| ELA5502                     | Casterton South | VIC   | Minotaur Industrial Minerals     | 0                                  |   |
| EL5869                      | Coober Pedy     | SA    | BMV Properties                   | 100                                |   |
| EL6144                      | Garford         | SA    | Minotaur Operations              | 100                                |   |
| EL5911                      | Giddina Creek   | SA    | BMV Properties                   | 100                                |   |
| EL6202                      | Mount Hall      | SA    | Minotaur Operations              | 100                                |   |
| EL5885                      | Oolgelima       | SA    | BMV Properties                   | 100                                |   |
| EL5398                      | Sceales         | SA    | Minotaur Operations              | 100                                |   |
| EL5814                      | Tootla          | SA    | Great Southern Kaolin            | 100                                |   |
| EL6096                      | Whichelby       | SA    | Minotaur Operations              | 100                                |   |
| EL5787                      | Yanerbie        | SA    | Minotaur Operations              | 100                                | Andromeda Metals Limited                                  |
| EL6128                      | Camel Lake      | SA    | Minotaur Operations              | 100                                | Andromeda Metals Limited                                  |
| Peake & Denison Project     |                 |       |                                  |                                    |   |
| EL6221                      | Big Perry       | SA    | Minotaur Operations              | 100                                |   |
| ELA2018/114                 | Davenport       | SA    | Minotaur Operations              | 0                                  |   |
| EL6222                      | Teemurrina      | SA    | Minotaur Operations              | 100                                |   |
| EL6223                      | Wood Duck       | SA    | Minotaur Operations              | 100                                |   |
| Scotia Project              |                 |       |                                  |                                    |   |
| M 29/00245                  | Goongarrie 13   | WA    | Minotaur Gold Solutions          | 100                                |   |
| M 29/00246                  | Goongarrie 14   | WA    | Minotaur Gold Solutions          | 100                                |   |
| Leinster Project            |                 |       |                                  |                                    |   |
| E36/899                     | Fly Bore        | WA    | Altia Resources                  | 100                                |   |
| E36/936                     | Valdez          | WA    | Altia Resources                  | 0                                  |   |
| E37/909                     | Leinster 2      | 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   |
| EL5723                      | Wilkawillina    | SA    | Perilya                          | 10                                 | Perilya Ltd 90%, MEP 10% free carried to BFS completion   |
| EL5984                      | Moonta          | SA    | Peninsula Resources              | 10                                 | Peninsula Resources (Interest in portion of the tenement) |
| EPM26422                    | Mt Osprey       | QLD   | Birla Mt Gordon                  | 22.9#                              |   |
| M15 1828                    | Spargos Reward  | WA    | Minex Australia, Corona Minerals | 3% Au NSR*                         |   |
| M15 395                     | West Kambalda   | WA    | Tychean Resources                | 1.5% NSR                           |   |
| M15 703                     | West Kambalda   | WA    | Tychean Resources                | 1.5% NSR                           |   |
| L15 128                     | West Kambalda   | WA    | Tychean Resources                | 1.5% NSR                           |   |
| L15 255                     | West Kambalda   | WA    | Tychean Resources                | 1.5% NSR                           |   |
| E15 967                     | West Kambalda   | WA    | Tychean Resources                | 1.5% NSR                           |   |
| E15 968                     | West Kambalda   | WA    | Tychean Resources                | 1.5% NSR                           |   |
| P15 5860                    | West Kambalda   | WA    | Tychean Resources                | 1.5% NSR                           |   |
|                             |                 |       |                                  |                                    |   |

# Diluting interest over former EPM17061 area

\* 3% Au NSR over former P15 4886 area

1.5% NSR = 1.5% NSR all minerals other than Nickel

## Shareholdings as at 30 September 2018

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 2018.

### Distribution of equity securities

#### Ordinary share capital

257,641,257 fully paid ordinary shares are held by 2,235 shareholders.

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

#### Options

22,185,000 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                             | 177                        | -                |
| 1,001 - 5,000                         | 140                        | -                |
| 5,001 - 10,000                        | 287                        | -                |
| 10,001 - 100,000                      | 1,253                      | 4                |
| 100,001 and over                      | 378                        | 24               |
|                                       | <b>2,235</b>               | <b>28</b>        |
| Holding less than a marketable parcel | <b>677</b>                 | -                |

### Substantial shareholders

|  | Fully paid |            |
|--|------------|------------|
| Ordinary shareholders                          | Number     | Percentage |
| Citicorp Nominees Pty Limited                  | 39,457,036 | 15.31%     |
| Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C> | 17,489,188 | 6.79%      |

|  | Fully Paid Ordinary Shares |               |
|--|----------------------------|---------------|
| TWENTY LARGEST HOLDERS OF QUOTED EQUITY SECURITIES                         | Number                     | Percentage    |
| Citicorp Nominees Pty Ltd  | 39,457,036                 | 15.31%        |
| Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C>                             | 17,489,188                 | 6.79%         |
| Oz Minerals Limited  | 8,041,670                  | 3.12%         |
| Mr Ian Richard Kerr Gemmell  | 6,258,110                  | 2.43%         |
| Syndicated Metals Ltd  | 5,152,883                  | 2.00%         |
| FMR Investments Pty Limited  | 2,960,765                  | 1.15%         |
| Sandfire Resources NL  | 2,608,695                  | 1.01%         |
| Chetan Enterprises Pty Ltd <Hedge Super Fund A/C>                          | 2,271,654                  | 0.88%         |
| Mr Robert Gemelli  | 1,936,046                  | 0.75%         |
| Mr Nicholas James Carter & Mrs Susan Mary Carter <Carter Family Super A/C> | 1,832,627                  | 0.71%         |
| Dorica Nominees Pty Ltd  | 1,788,462                  | 0.69%         |
| HSBC Custody Nominees (Australia) Limited                                  | 1,768,104                  | 0.69%         |
| Mr Peter Francis Hasenkam  | 1,754,896                  | 0.68%         |
| Mr Robert William Moses  | 1,500,000                  | 0.58%         |
| Bydown Fund Management Pty Ltd <The Miles Super Fund A/C>                  | 1,478,000                  | 0.57%         |
| Romsup Pty Ltd <Romadak Super Fund A/C>                                    | 1,457,064                  | 0.57%         |
| BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DPR>                 | 1,452,560                  | 0.56%         |
| Mr Robert Lloyd Blesing  | 1,427,292                  | 0.55%         |
| Mr Nicholas Carter   | 1,377,403                  | 0.53%         |
| Mr Gordon Martin   | 1,300,000                  | 0.50%         |
|  | <b>103,312,455</b>         | <b>40.10%</b> |







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