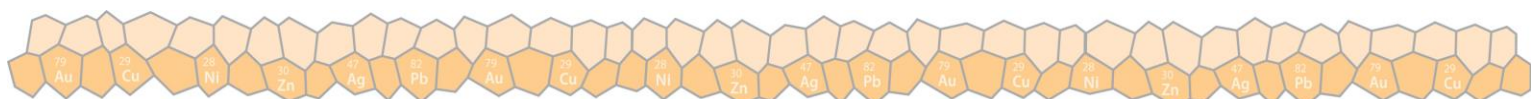




Minotaur Exploration Limited

ABN 35 108 483 601

Interim Financial Report
for the Half Year Ended 31 December 2019



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Corporate Directory

DIRECTORS

Dr Antonio Belperio

Executive Director (to 28 November 2019)

Non-Executive Director (from 28 November 2019)

Dr Roger Higgins *Non-Executive Chairman*

Mr George McKenzie *Non-Executive Director*

Mr Andrew Woskett *Managing Director*

COMPANY SECRETARY

Mr Varis Lidums

REGISTERED OFFICE

C/- 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 Services Pty Ltd

Level 5, 115 Grenfell Street

Adelaide SA 5000

LEGAL ADVISERS

O'Loughlins Lawyers

Level 2, 99 Frome Street

Adelaide SA 5000

BANKERS

National Australia Bank

22-28 King William Street

Adelaide SA 5000

AUDITORS

Grant Thornton Audit Pty Ltd

Level 3, 170 Frome Street

Adelaide SA 5000

Minotaur Exploration Limited

ACN: 108 483 601

ASX Code: MEP

www.minotaurexploration.com.au

Directors' Report

The directors of Minotaur Exploration Ltd ('Minotaur') present their Report together with the financial statements of the consolidated entity, being Minotaur Exploration Ltd ('the Company') and its controlled entities ('the Group') for the half year ended 31 December 2019 and the Independent Auditor's Review Report thereon.

Director Details

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

Dr Antonio Belperio, *Executive Director (to 28 November 2019),
Non-Executive Director (from 28 November 2019)*

Dr Roger Higgins, *Non-Executive Chairman*

Mr George McKenzie, *Non-Executive Director*

Mr Andrew Woskett, *Managing Director*

Review of Operations

Corporate

New and existing shareholders supported a two-tranche placement in the second half of the year raising \$1.5 million for working capital purposes. The company ended calendar 2019 with A\$2.2 million in cash (previous year A\$2.2 million).

2019 exploration total expenditure of A\$7.1 million reflected 85% of overall exploration expense being contributed by (or in the case of the Jericho JV, being carried by) joint venture parties - and self-funded activity costs of A\$1.3 million (or 16%). Company overheads were equivalent to 16% of the total exploration spend.

Research and Development

Minotaur's continuing research into new applications for halloysite as a natural replacement for synthetic carbon nanotubes was boosted through a partnership with Andromeda Metals Ltd (ASX: ADN) in an incorporated vehicle named Natural Nanotech Pty Ltd (NNT). NNT has assumed the role of managing the R&D interface with the University of Newcastle. Potential new technology applications of natural halloysite nanotubes being assessed include energy storage, electrocatalysis and water treatment.

The project to assess IOCG potential across the Peake and Denison Ranges of South Australia continues. The work remains in its formative phase and will shortly lead to on-ground geophysics to refine the understanding of basement characteristics.

Exploration

Drilling of the Jericho copper prospect continued resulting in 30km of drilling completed, data from which is being assessed by OZ Minerals to ascertain possible underground mining viability. From April 2019 Minotaur's 20% co-contributing share of costs accrued to A\$900,000, that amount being loan funded by OZ Minerals.

Minotaur's farm-in to the 'Windsor' tenement package south of Charters Towers gave Minotaur the opportunity to apply its geophysical tool set to search for VMS style base metal systems. Drilling of the first target was unproductive but does not degrade prospectivity across the tenement area. Work will resume in April 2020. The owner and Minotaur agreed that the tenement group would be sold to Minotaur for \$400,000 in a mix of cash and shares. Ownership alleviates Minotaur's obligation under the JV to spend \$4 million to attain an 80% interest.

Directors' Report

The Poochera kaolin project, under management by Andromeda Metals, is advancing strongly with a pre-feasibility update due in April 2020. The joint venture considers the kaolin deposit may be able to advance towards commercial, small scale production within a 2-year time frame.

Investments

Minotaur holds the following investments in ASX listed companies as at 31 December 2019:

Company	ASX Code	Shares held as at 31 Dec 2019	Minotaur %
Auroch Minerals Ltd	AOU	18,333,333	13.79
Petratherm Ltd	PTR	1,085,000	0.63
Thompson Resources Ltd	TMZ	14,700,000	12.37

Minotaur also holds 82,030 shares in Chilean Metals Inc (CMX), a Canadian company listed on the TSXV.

The market value of the above investments at 31 December 2019 was \$1,605,242.

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 non-executive director of the Company and is a part-time consultant to the Company. Dr Belperio is a Fellow of the Australasian Institute of Mining and Metallurgy and has a minimum of 5 years experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Belperio consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Directors' Report

Auditor's Independence Declaration

The auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 7 for the half-year ended 31 December 2019.

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

A handwritten signature in black ink, appearing to read 'Andrew Woskett', with a stylized flourish at the end.

Andrew Woskett
Managing Director

Dated this 19th day of February 2020

Auditor's Independence Declaration

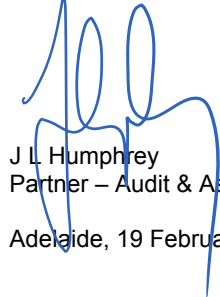
To the Directors of Minotaur Exploration Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Minotaur Exploration Limited for the half-year ended 31 December 2019, 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 19 February 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2019

		Consolidated Group	
	Notes	31 Dec 2019	31 Dec 2018
		\$	\$
Revenue		74,633	148,211
Other income	7	1,255,722	56,471
Impairment of exploration and evaluation assets	5/10	(740,548)	(1,369,755)
Project generation costs	5	(123,437)	(81,854)
Employee benefits expense		(412,839)	(305,459)
Depreciation expense		(116,366)	(61,603)
Finance costs		(19,228)	(395)
Other expenses		(521,247)	(436,876)
Loss before income tax expense		(603,310)	(2,051,260)
Income tax (expense)/benefit		414,672	(57,272)
Loss for the period		(188,638)	(2,108,532)
Other comprehensive income			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Loss on equity instruments designated at fair value through other comprehensive income	9	(377,430)	(174,515)
Total Comprehensive Income for the period		(566,068)	(2,283,047)
Earnings per share			
Basic earnings per share (cents)		(0.06)	(0.79)
Diluted earnings per share (cents)		(0.06)	(0.79)

**Consolidated Statement of Financial Position
as at 31 December 2019**

		Consolidated Group	
	Note	31 Dec 2019	30 June 2019
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		2,222,347	3,985,806
Trade and other receivables		4,139	31,689
Other current assets		360,407	388,833
		2,586,893	4,406,328
Held-for-sale assets	8	-	635,222
TOTAL CURRENT ASSETS		2,586,893	5,041,550
NON-CURRENT ASSETS			
Financial assets	9	1,605,242	332,672
Right of use assets	3	969,575	-
Property, plant and equipment		493,750	500,554
Exploration and evaluation assets	10	8,025,448	7,589,649
TOTAL NON-CURRENT ASSETS		11,094,015	8,422,875
TOTAL ASSETS		13,680,908	13,464,425
CURRENT LIABILITIES			
Trade and other payables	11	993,553	2,925,298
Lease liabilities	3	192,329	-
Borrowings		26,713	26,713
Short-term provisions		405,760	438,028
TOTAL CURRENT LAIBILITIES		1,618,355	3,390,039
NON-CURRENT LIABILITIES			
Lease liabilities	3	793,504	-
Borrowings		1,253,294	985,597
Long-term provisions		21,647	23,506
TOTAL NON-CURRENT LIABILITIES		2,068,445	1,009,103
TOTAL LIABILITIES		3,686,800	4,399,142
NET ASSETS		9,994,108	9,065,283
EQUITY			
Issued capital	12	49,537,108	48,166,080
Reserves	13	(220,589)	962,210
Accumulated losses		(39,322,411)	(40,063,007)
TOTAL EQUITY		9,994,108	9,065,283

**Consolidated Statement of Changes in Equity
for the half year ended 31 December 2019**

		Consolidated Group				
		Issued Capital	Share Option Reserve	Other Components of Equity (Note 13)	Accumulated Losses	Total Equity
	Note	\$	\$	\$	\$	\$
Balance at 1 July 2019		48,166,080	1,147,705	(185,495)	(40,063,007)	9,065,283
<i>Comprehensive income</i>						
Total comprehensive income for the period		-	-	(377,430)	(188,638)	(566,068)
Total comprehensive income for the year		-	-	(377,430)	(188,638)	(566,068)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Issue of shares through Share Placement	12	1,500,000	-	-	-	1,500,000
Transaction costs on shares issued	12	(128,972)	-	-	-	(128,972)
Issue of options to directors of the Company	13(a)	-	123,865	-	-	123,865
Transfer from share option reserve upon lapse of options	13(a)	-	(929,234)	-	929,234	-
		1,371,028	(805,369)	-	929,234	1,494,893
Balance at 31 December 2019		49,537,108	342,336	(562,925)	(39,322,411)	9,994,108

Consolidated Statement of Changes in Equity (Continued)
for the half year ended 31 December 2019

Consolidated Group					
Note	Issued Capital \$	Share Option Reserve \$	Other Components of Equity \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2018	44,940,370	1,032,205	110,188	(35,902,503)	10,180,260
<i>Comprehensive income</i>					
Total comprehensive income for the period	-	-	(174,515)	(2,108,532)	(2,283,047)
Total comprehensive income for the year	-	-	(174,515)	(2,108,532)	(2,283,047)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>					
Issue of shares through Share Placement and Share Purchase Plan	1,911,234	-	-	-	1,911,234
Issue of shares as part consideration for Highlands project	275,000	-	-	-	275,000
Transaction costs on shares issued	(104,247)	-	-	-	(104,247)
Issue of options to employees under employee share option plan	-	115,500	-	-	115,500
	2,081,987	115,500	-	-	2,197,487
Balance at 31 December 2018	47,022,357	1,147,705	(64,327)	(38,011,035)	10,094,700

Consolidated Statement of Cash Flows for the half year ended 31 December 2019

	Consolidated Group	
	31 Dec 2019	31 Dec 2018
Notes	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(878,889)	(956,162)
Interest received	2,167	3,662
Finance costs	(395)	(395)
R&D tax incentive received	354,158	-
Net cash used in operating activities	(522,959)	(952,895)
Cash flows from investing activities		
Payments for property, plant and equipment	(1,831)	(3,732)
Proceeds from sale of tenements	225,000	75,000
Payments for acquisition of tenements	-	(125,000)
Payments for quoted equity instruments at FVOCI	-	(110,000)
Government grants received for exploration activities	-	116,323
Joint Venture receipts	687,509	3,634,422
Payments for exploration activities	(3,508,883)	(4,288,648)
Net cash used in investing activities	(2,598,205)	(701,635)
Cash flows from financing activities		
Proceeds from the issue of shares	1,500,000	1,911,234
Payment of transaction costs for issue of shares	(128,972)	(104,249)
Repayment of borrowings	(13,323)	(10,828)
Net cash provided by financing activities	1,357,705	1,796,157
Net (decrease)/increase in cash and cash equivalents	(1,763,459)	141,627
Cash at the beginning of period	3,985,806	2,020,041
Cash at the end of the period	2,222,347	2,161,668

Notes to the Consolidated Financial Statements

Note 1: Nature of operations

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

Note 2: General information and basis of preparation

The interim condensed consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2019 and are presented in Australian dollars (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2019 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*. Minotaur is a for profit entity for the purposes of preparing these financial statements.

The interim financial statements have been approved and authorised for issue by the board of directors on 19 February 2020.

Note 3: Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2019, except for the adoption of new standards effective as of 1 July 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Group applies, for the first time, AASB 16 Leases. The nature and effect of these changes are disclosed below. No other amendments and interpretations that are applicable to the Group for the first time in the period beginning 1 July 2019 have been noted to have an impact on the interim condensed consolidated financial statements of the Group.

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

New standards, interpretations and amendments adopted by the Group

AASB 16 Leases

AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB 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

Notes to the Consolidated Financial Statements

(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.

Transition to AASB 16

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying AASB 17 and AASB Interpretation 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adopting AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	\$'000
<i>Assets</i>	
Right-of-use assets	1,077
<i>Liabilities</i>	
Lease liabilities	(1,077)
Total adjustment on current year earnings	-

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with a lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Notes to the Consolidated Financial Statements

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of AASB 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right of use assets - Leases \$'000	Lease liabilities \$'000
As at 1 July 2019	-	-
Additions	1,077	1,077
Depreciation expense	(107)	-
Interest expense	-	19
Payments	-	(110)
As at 31 December 2019	970	986

Notes to the Consolidated Financial Statements

Note 4: Estimates

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

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

Note 5: Significant events and transactions

During the period, the Group ceased exploring on and reviewed the carrying value of several exploration tenements and, as a result, these tenements held as exploration and evaluation assets were written-off. The total amount of these write-downs for the period were \$740,548.

Project generation costs incurred during the period totaling \$123,437 that do not meet the definition of exploration costs have been immediately expensed.

On 29 August 2019, the Group successfully completed the sale of 100% of its shares in Minotaur Gold Solutions Pty Ltd and Altia Resources Pty Ltd. Consideration received by the Group was 18,333,333 fully paid ordinary shares in the acquiring company, being Auroch Minerals Ltd with a fair value of \$1,650,000. The shares are voluntarily escrowed for 12 months from the date the shares were issued. The net gain of the disposal of the subsidiaries recognised in other income was \$1,034,624.

Note 6: Operating segments

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

	Consolidated Group	
	31 December 2019 \$	31 December 2018 \$
Note 7: Other income		
Gain on disposal of subsidiaries	1,034,624	-
Gain on sale of tenements	206,084	-
Other income	15,064	56,471
	1,255,772	56,471

Notes to the Consolidated Financial Statements

	Consolidated Group	
	31 December	30 June
	2019	2019
	\$	\$
Note 8: Held-for-sale assets		
Opening balance	635,222	-
Transfers from exploration assets (i)	-	635,222
Less: Disposal of subsidiaries (see note 17)	(616,306)	-
Less: Sale of tenements (ii)	(18,916)	-
	-	635,222

- (i) On 28 May 2019 the Group publicly announced it had entered into a binding conditional Term Sheet to sell its Scotia and Leinster Nickel assets in Western Australia to ASX listed Auroch Minerals Limited (ASX: AOU). The sale transfers Minotaur Exploration Ltd's ownership of Minotaur Gold Solutions Pty Ltd and Altia Resources Pty Ltd, both wholly-owned subsidiaries, which collectively own the tenements E36/899, E36/936, M29/245 and M29/246. The sale was expected to be completed within a year from the reporting date. As at 30 June 2019, Minotaur Gold Solutions Pty Ltd and Altia Resources Pty Ltd were classified as a disposal group held-for-sale.

In addition, on 20 September 2018, the Group entered into a Tenement Sale Agreement for the sale of E37/909. The sale was expected to be completed within a year from the reporting date. Accordingly the carrying value of this tenement was disclosed as assets held-for-sale as at 30 June 2019.

Proceeds from the sale of tenements listed above are in excess of the carrying value. No impairment expense was recognised upon reclassification of the assets to held-for-sale.

- (ii) On 16 September 2019, the Group successfully completed the sale of E37/909.
- (iii) On 29 August 2019, the Group successfully completed the sale of Minotaur Gold Solutions Pty Ltd and Altia Resources Pty Ltd.

	Consolidated Group	
	31 December	30 June
	2019	2019
	\$	\$
Note 9: Financial assets		
Equity instruments at fair value through OCI – shares in listed companies		
Opening balance	332,672	518,355
Shares received as consideration for sale of subsidiaries (see Note 17)	1,650,000	-
Revaluations to market price	(377,430)	(295,683)
Acquisitions	-	110,000
	1,605,242	332,672

Notes to the Consolidated Financial Statements

	Consolidated Group	
	31 December 2019 \$	30 June 2019 \$
Note 10: Exploration and evaluation assets		
Exploration, evaluation and development costs carried forward in respect of mining areas of interest:		
Exploration and evaluation phases – Joint Operations	7,559,466	7,256,212
Exploration and evaluation phases – Other	465,982	333,437
	8,025,448	7,589,649

Capitalised tenement expenditure movement reconciliation – Consolidated Group:

	Exploration Joint Operations \$	Exploration Other \$	Total \$
Balance at beginning of financial year	7,256,212	333,437	7,589,649
Additions through expenditure capitalised	2,108,800	258,881	2,367,681
Reductions through joint operation contributions	(1,191,334)	-	(1,191,334)
Impairment expense	(614,212)	(126,336)	(740,548)
Balance at the end of the period	7,559,466	465,982	8,025,448

	Consolidated Group	
	31 December 2019 \$	30 June 2019 \$
Note 11: Trade and other payables		
Trade payables	381,875	1,346,538
Joint operation income received in advance	576,734	1,036,087
Accrued expenses	18,742	479,657
Other payables	16,202	63,016
	993,553	2,925,298

Notes to the Consolidated Financial Statements

Note 12: Issued capital	Consolidated Group	
	31 December	30 June
	2019	2019
	\$	\$
364,396,917 (June 2019: 334,396,917) fully paid ordinary shares	49,537,108	48,166,080
	49,537,108	48,166,080

The following is an analysis of Minotaur's fully paid ordinary shares for the half year ended 31 December 2019:

	Number of Shares	\$
Balance at beginning of financial year	334,396,917	48,166,080
Issue of shares through share placement	30,000,000	1,500,000
Share issue costs	N/A	(128,972)
Closing balance at end of period	364,396,917	49,537,108

Note 13: Other components of equity	Consolidated Group	
	31 December	30 June
	2019	2019
	\$	\$
Share option reserve (a)	342,336	1,147,705
FVOCI reserve (b)	(562,925)	(185,495)
	(220,589)	962,210
(a) Share option reserve		
Balance at beginning of financial year	1,147,705	1,032,205
Issue of options to employees under employee share option plan	-	115,500
Issue of options to directors of the Company	123,865	-
Transfer to retained earnings upon lapse of options	(929,234)	-
	342,336	1,147,705
(b) FVOCI reserve (previously Available-for-sale reserve)		
Balance at beginning of financial year	(185,495)	-
Reclassification of financial instruments under AASB 9	-	110,188
Net revaluation decrement	(377,430)	(295,683)
	(562,925)	(185,495)

Notes to the Consolidated Financial Statements

During the period unlisted share options were issued to directors of the Company under the following terms and conditions:

	Number of Options Issued	Exercise Price	Expiry Date
Unlisted Options issued to directors of the Company	11,400,000	\$0.10	28/11/2022
Unlisted Options issued to directors of the Company	6,800,000	\$0.12	28/11/2022

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

Share-based payments to directors 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 valuation inputs used in determining the fair value at grant date were as follows:

	Options issued to directors of the Company	
	at \$0.10	at \$0.12
Share price at grant date:	\$0.045	\$0.045
Expected volatility:	56.81%	56.81%
Risk free rate:	0.63%	0.63%
Fair value at grant date:	\$0.0074	\$0.0058

Note 14: Fair value measurement of financial instruments

Fair value hierarchy

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

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

Notes to the Consolidated Financial Statements

The Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2019 and 30 June 2019 on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
31 December 2019	\$	\$	\$	\$
Financial assets at fair value				
<i>Equity instruments designated at FVOCI</i>				
Listed securities	1,605,242	-	-	1,605,242
Net fair value	1,605,242	-	-	1,605,242

	Level 1	Level 2	Level 3	Total
30 June 2019	\$	\$	\$	\$
Financial assets at fair value				
<i>Equity instruments designated at FVOCI</i>				
Equity instruments	332,672	-	-	332,672
Net fair value	332,672	-	-	332,672

Measurement of fair value of financial instruments

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

Listed securities

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

Fair value of other financial assets and financial liabilities

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

Note 15: Contingent assets and liabilities

At the date of signing this report, the Group is not aware of any Contingent Asset or Liability that should be disclosed in accordance with AASB 137. It is however noted that the Group has established various bank guarantees in place with a number of State Governments in Australia, totaling \$225,600 at 31 December 2019 (June 2019: \$218,500). 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 disturbance for which it is responsible. It is noted that the bank guarantees have, as at the date of signing this report, never been utilised by any State Government.

Notes to the Consolidated Financial Statements

Note 16: Controlled entities

Name of entity	Country of incorporation	Ownership interest	
		31 Dec 2019 %	30 June 2019 %
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 (iii)	Australia	-	100
Levuka Resources Pty Ltd (ii)	Australia	100	100
BMV Properties Pty Ltd (ii)	Australia	100	100
Minotaur Gold Solutions Pty Ltd (iii)	Australia	-	100
Natural Nanotech 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.

iii) On 29 August 2019, the Group successfully completed the sale of 100% of its shares in Minotaur Gold Solutions Pty Ltd and Altia Resources Pty Ltd. Consideration received by the Group was 18,333,333 fully paid ordinary shares in the acquiring company, being Auroch Minerals Ltd. The shares are voluntarily escrowed for 12 months from the date the shares were issued.

Notes to the Consolidated Financial Statements

Note 17: Disposal of subsidiaries

As referred to in Note 8 to the financial statements, on 29 August 2019 the Group successfully completed the sale of 100% of its shares in Minotaur Gold Solutions Pty Ltd and Altia Resources Pty Ltd.

Details of the disposal are as follows:

Carrying amounts of net assets over which control was lost	Minotaur Gold Solutions Pty Ltd \$	Altia Resources Pty Ltd \$	Total \$
Assets			
Held-for-sale assets	549,531	65,845	615,376
	549,531	65,845	615,376
Liabilities	-	-	-
Net assets derecognised	549,531	65,845	615,376
Consideration received:			
Fair value of equity received in Auroch Minerals Ltd	1,473,450	176,550	1,650,000

Note 18: Post-reporting date events

No matter or circumstance has arisen since 31 December 2019 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future.

Directors' Declaration

1. In the opinion of the directors of Minotaur Exploration Ltd:

- a) the consolidated financial statements and notes of Minotaur Exploration Ltd are in accordance with the *Corporations Act 2001*, including
 - i) giving a true and fair view of its financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
 - ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting*, and;
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Andrew Woskett
Managing Director

Dated this 19th day of February 2020

Independent Auditor's Review Report

To the Members of Minotaur Exploration Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Minotaur Exploration Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Minotaur Exploration Limited does not give a true and fair view of the financial position of the Minotaur Exploration Limited as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Minotaur Exploration Limited's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Minotaur Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

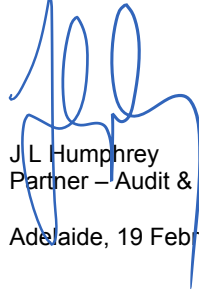
A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards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

Independence

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 19 February 2020