

The background of the cover is a photograph of a person in an orange safety vest kneeling in a field of dry grass, holding a long pole. The sky is blue with some clouds. The top left corner has an orange diagonal stripe, and the bottom right corner has a white diagonal stripe.

2020

ANNUAL REPORT

CORPORATE DIRECTORY

Minotaur Exploration Limited

ACN 108 483 601
ASX MEP

Directors

Dr Roger Higgins	<i>Non-Executive Chairman</i>
Mr Andrew Woskett	<i>Managing Director</i>
Mr George McKenzie	<i>Non-Executive Director</i>
Dr Antonio Belperio	<i>Executive Director to 28 November 2019, Non-Executive Director from 29 November 2019</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 Investors 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



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 presentational currency is Australian dollars

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 20. The Directors' Report is not part of the financial report.



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2019/2020 HIGHLIGHTS

<p>OCTOBER 2019</p> <p>Drilling commences at Hastings VMS target, Charters Towers region, Queensland</p> <p>Drilling to test the Hastings anomaly</p>	
<p>FEBRUARY 2020</p> <p>Cloncurry Alliance establishes exploration JV with Sandfire Resources</p> <p>The Cloncurry Alliance established JV with Sandfire Resources over a Sandfire tenement group near Cloncurry.</p>	<p>NOVEMBER 2019</p> <p>Minotaur to acquire Windsor Project area, Charters Towers region, Queensland</p> <p>Minotaur contracted to purchase 100% of the Windsor JV tenements.</p>
<p>APRIL 2020</p> <p>Big Foot leaves large EM imprint at Eloise</p> <p>'Big Foot' and 'Little Foot' delivered strong geophysical footprints for the Eloise JV, Cloncurry.</p>	<p>MARCH 2020</p> <p>Andromeda acquires 51% interest in Poochera Halloysite-Kaolin Project</p> <p>Andromeda Metals met it's expenditure commitment and acquired 51% interest in the project.</p>
<p>JULY 2020</p> <p>Maiden Jericho Resource & Cloncurry exploration update</p> <p>A maiden Mineral Resource estimate of the Jericho system was published.</p>	<p>JUNE 2020</p> <p>ADI grant recognises Peake & Denison project potential, South Australia</p> <p>MEP is awarded an ADI grant for it's 100% owned Peake & Denison project.</p>
<p>AUGUST 2020</p> <p>Minotaur to acquire under-explored gold tenements, Queensland</p> <p>MEP takes out option to purchase the Pyramid tenement group located south of Townsville.</p>	<p>AUGUST 2020</p> <p>Drilling commences for Eloise JV</p> <p>A 2,000m diamond drilling program was underway to test two high-priority EM targets at Seer and Big Foot.</p>
<p>AUGUST 2020</p> <p>Minotaur announces Share Purchase Plan</p> <p>MEP launched an SPP to raise A\$1m following the success of its oversubscribed Placement.</p>	<p>AUGUST 2020</p> <p>Minotaur completes a \$4m, oversubscribed placement</p> <p>MEP announced success in placing 81 million new shares to raise \$4,050,000.</p>
<p>SEPTEMBER 2020</p> <p>Oversubscribed SPP garners \$3.4 million</p> <p>Minotaur Exploration closed its Share Purchase Plan with applications of \$3.4 million, surpassing the target of \$1 million.</p>	<p>SEPTEMBER 2020</p> <p>Company Activities Report</p> <p>MEP updated project activities across QLD and SA.</p>

CHAIRMAN'S REVIEW

Exploration continuity was challenged during the financial year due to border closures arising from COVID restrictions, as exploration has not been deemed an essential service. Cessation of cross border travel effectively cancelled half of the year's field work season in North Queensland. Nonetheless, research, target generation and modelling in-house created a selection of prospects to be pursued in time.

Your Board is attuned to managing risk, pragmatically balanced against opportunity, while cultivating strategies that will improve shareholder value. This included timely divestment of equity holdings in listed companies Petrathern (ASX: PTR), Thomson Resources (ASX: TMZ) and Auroch Minerals (ASA: AOU) and conversion of the Windsor project joint venture to outright purchase.

Minotaur is actively looking to build a tenement portfolio in the Charters Towers region of Queensland with the Windsor project (base metals) as its core. Due diligence on purchase of the Pyramid gold project in the same region is underway and, if concluded satisfactorily, will complete late in 2020. Other opportunities in the region are being considered.

Exploration continues under the Eloise joint venture, originated in 2015 with OZ Minerals (ASX: OZL), and being sole funded by OZ Minerals. That activity is complemented by the adjacent joint venture with Sandfire Resources (ASX: SFR) where the OZ Minerals-Minotaur Cloncurry Alliance could earn 75% interest in Sandfire's Breena Plains tenements. The Cloncurry Alliance's objective is to locate and define deposits similar to the Jericho copper-gold system, thereby creating critical mass for development of a regional processing hub.

Joint venture partner Andromeda Metals Ltd (ASX: ADN) is making solid progress towards commercialisation of Minotaur's kaolin deposits in South Australia. Andromeda achieved its initial 51% tenement interest in April 2020 and is moving towards its ultimate 75% interest through total investment of \$6 million by late 2020. Minotaur will begin contributing its 25% share of project expenses from that time and intends to maintain its interest. Andromeda's PFS issued in June 2020 estimated that Minotaur's annual EBITDA share of mine revenues will be \$20 million within 15 months of start-up. Andromeda's definitive feasibility study due at the end of 2020 will provide further confidence in respect of project assumptions and projections.

Directors are appreciative of the support expressed by shareholders and new investors alike despite a relatively quiet news year for Minotaur and are working to reward that interest through a much improved market valuation for MEP.

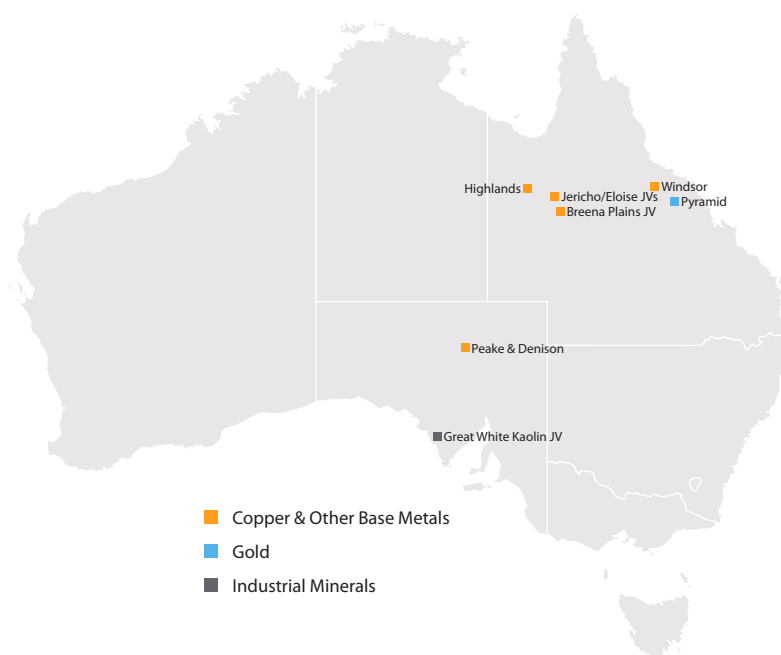
The Company's financial position is sound with over \$9 million cash held as at 30 September 2020, due to a well over-subscribed placement of \$4m in August and September's successful Share Purchase Plan accepting over \$2.1 million.



Dr Roger Higgins
Chair

MANAGING DIRECTOR'S REPORT

Minotaur maintains a diverse array of minerals exploration tenements around Australia, totalling 8,410², including joint ventures.



Business Review

Joint venture drilling at the Jericho deposit concluded in July 2019 with attention directed to developing a mineral resource estimate and to model underground mining scenarios as a guide to further works. OZ Minerals (ASX: OZL) undertook those tasks and results were published in July 2020, OZ Minerals (80% project interest) concluding the deposit was unlikely to be viable as a standalone operation at its current scale. While significant strike extent remains to be drill tested and to close gaps in the drilling, OZ Minerals preferred to direct further investment towards location of a Jericho-like asset in the near region that, collectively with Jericho, could support the case for development of a regional processing hub.

With that objective, exploration activity at the Eloise JV (OZL 70%; MEP 30%) resumed after cross-border restrictions were lifted in July 2020. OZ Minerals has an obligation to invest \$2m into the JV through FY2021 and FY2022. In parallel, the Minotaur-OZ Minerals Cloncurry Alliance struck a new joint venture with Sandfire Resources (ASX: SFR) to explore Sandfire's extensive Breena Plains tenement group adjacent to the Eloise JV ground. Minotaur was awarded a \$200,000 CEI grant by the Queensland State government for geophysical surveys at Breena Plains. Inaugural work will commence in October 2020 with OZ Minerals funding \$1 million first year expenditure.

The Highlands project north-west of Mt Isa, Queensland, has been classified as available for sale and expressions of interest are invited.

South of Charters Towers, Queensland, at the Windsor project, initial IP trials revealed a strong anomaly, having similar characteristics to local VMS systems. Drilling proved the efficacy of this geophysical method in conductive cover and will be expanded across the tenement package. Initial IP on the Warrawee prospect had to be abandoned due to the imposition of fire hazard restrictions but will resume in October 2020. The Company purchased the Windsor tenement group outright, terminating the previous farm-in joint venture and envisages collating a group of advanced exploration assets in the Charters Towers region, an area well-endowed with productive base metal and gold mines.

Andromeda Metals Limited's (ASX: ADN) earn-in to Minotaur's Great White Kaolin project (formerly named the Poochera project) has momentum such that Andromeda will reach its 75% interest ceiling in the joint venture tenement assets through expenditure of \$6 million by late 2020. Andromeda's market capitalisation of ~\$160 million, up 100% in twelve months, demonstrates growing market confidence in the project. Minotaur notes that an equitable see-through value to Minotaur's shareholders is not yet reflected in Minotaur's market capitalisation. When in commercial operation Minotaur will be entitled to 25% of the project's cash flow, equating to annualised \$20 million EBITDA for Minotaur for a project life of 26 years, according to Andromeda's Prefeasibility Study dated June 2020. Minotaur intends to maintain its project interest and will contribute proportionally from the end of 2020 through project implementation and commercial operation.

In South Australia, Minotaur received a \$300,000 ADI grant from the State government for geophysics and drilling at the Peake and Denison project; work will start late in 2020.

Corporate Report

The 2020 financial year became papered with economic disruption, as a result of the COVID situation and governments' reactions. Minotaur's employees and directors willingly agreed to reduce salaries from April through August 2020, helping curtail overheads. Their cooperation and support is gratefully acknowledged.

The Company sought to reinforce its bank balance as a buffer against continuing uncertainty. Fortunately, bullish investor sentiment towards miners generally and especially gold stocks, gave rise to high liquidity levels across the exploration sector. Minotaur took advantage of this positivity and in August 2020 completed a placement of \$4 million, cut back from \$6.5 million, followed up by a Share Purchase Plan to raise \$1 million, itself strongly oversubscribed, resulting in acceptances of \$2.1 million.

With those receipts Minotaur's cash balance at 30 September 2020 was \$9.6 million in cash and term deposits.



Exploration and Business Development Manager, Glen Little, surveys the stark environment of the Peake & Denison project

DIRECTORS' REPORT

Your directors present their report on the consolidated group for the financial year ended 30 June 2020.

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 Roger Higgins	<i>Non-Executive Chairman</i>
Mr George McKenzie	<i>Non-Executive Director</i>
Dr Antonio Belperio	<i>Executive Director to 28 November 2019, Non-Executive Director from 29 November 2019</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

New and existing shareholders supported a two-tranche placement in the second half of 2019 raising \$1.5 million for working capital purposes. The 2020 financial year concluded with the Group holding \$2.42 million in cash and term deposits (including restricted cash of \$1.5m being advanced by OZ Minerals for joint operations) plus \$0.9 million of equity holdings in ASX listed explorers. Minotaur's share of the Great White Kaolin project is 49% as a result of Andromeda Metals' earn-in expenditure culminating at \$3 million in March 2020. Andromeda intends, through its further \$3 million expenditure, to reach its 75% ceiling by end of 2020 and aspires to commence mining of the Great White Kaolin deposit in early 2021.

Exploration

Exploration activity centered on copper-gold prospects in Queensland.

Drilling at the Jericho prospect, in joint operation with OZ Minerals, was suspended throughout the financial year while OZ Minerals investigated underground mining scenarios. That led to publication in July 2020 of the maiden resource estimate and OZ Minerals' determination that Jericho, in its present context, is unlikely to proceed as a viable development.

While OZ Minerals' review unfolded Minotaur's effort was directed to drill target generation in the near vicinity to Jericho with the objective of locating a similar style and size deposit that collectively could justify a development objective. Ground EM work in March illustrated this possibility with revelation of the 'Big Foot' conductive anomaly just north-east of the Eloise mine and slightly along strike from earlier mineralisation intersections at 'Iris' and 'Electra'.

A joint operation between Minotaur, OZ Minerals and Sandfire Resources (tenement holder) became effective in February 2020. The 'Breena Plains JV' provides regional scope for Minotaur to locate new prospects proximal to Jericho, for assessment. OZ Minerals will fund the initial \$1 million, first year, minimum expenditure obligation. Minotaur identified a set of structural corridors, buried under surface colluvials, that potentially represent conduits for mineralised fluid flow. A series of ground EM surveys were arranged to generate exploration targets.

All field activity was put on hold from April 2020 while the COVID-19 event prevailed, until a resumption of work became permissible from end of July 2020 with re-opening of the Queensland border.



Research & Development

Minotaur maintains an active R&D plan, mainly through the services of specialist agencies such as CSIRO and University of Newcastle's research laboratories. Minotaur's primary exercise is investigation into new industrial applications for nanoparticles; halloysite nanoclays within the kaolin complex. Natural Nanotech Pty Ltd, a company equally owned by Minotaur and Andromeda Metals, was incorporated to pursue technology developments and commercial opportunities. NNT's first project initiated on 1 July 2020.

Business strategies and prospects

Retention of active joint operations with OZ Minerals is a primary strategy for Minotaur, as OZ Minerals' need to cement a portfolio of pre-development assets dovetails nicely with Minotaur's preference for high risk exploration projects to be externally funded. This has been the case with the Eloise and Jericho joint operations, where OZL has thus far invested \$20 million into Minotaur's tenements. Ongoing investment by OZ Minerals demonstrates Minotaur's engagement strategy.

At the same time, the Company seeks to build its own wholly owned asset base where exploration success could deliver significant shareholder value. Purchase of the Windsor tenement package and upcoming field activity are intended to deliver that outcome. Similarly, Minotaur has an extensive land position over the Peake and Denison Inlier, South Australia where, on the edge of the Gawler Craton, the Company's technical team has postulated the presence of IOCG and Broken Hill type mineralisation. This 'outside the box' thinking could possibly unveil a new exploration frontier 750km north of Adelaide.

At its core, Minotaur has steadily developed a strong skill set to apply in the search for minerals systems not tangibly evident due to their deep, buried nature. Minotaur's shareholders largely anticipate this approach will be productive and continue to be supportive of the Company's efforts.

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 director 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.

Directors' Report

Names, qualifications, experience and special responsibilities

Dr Antonio Belperio

(BSc (Hons), PhD, FAusIMM)

Executive Director to 28 November 2019, Non-Executive Director from 29 November 2019

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 former director of Thomson Resources Ltd (ASX: TMZ; Resigned 2019), a public company listed on the ASX.

Dr Roger Higgins

(BE (Hons), MSc, PhD, FIEAust, 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 (ASX: NCM) and Worley Ltd (ASX: WOR), and a former director of Metminco Ltd (resigned 2019) and 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 was also a member of the Minerals and Energy Advisory Council which advises the Minister of Mineral Resources and Energy on strategic issues, from inception of the Council in 2000 until 30 June 2019.

Mr Andrew Woskett

(B Eng, M Comm Law, FAusIMM)

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 is a current Councillor of the South Australian Chamber of Mines and Energy Inc. (SACOME). Mr Lidums 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 \$3,119,741 (2019: \$4,160,504).

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	2,477,036	3,200,000
Roger Higgins	2,864,159	4,000,000
George McKenzie	1,059,100	3,200,000
Andrew Woskett	1,040,000	7,800,000

Dividends paid or recommended

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

Principal activities

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

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

Risk management

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

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

Impact of COVID-19

COVID-19 and regulatory controls arising from it resulted in all field activity being put on hold from April 2020, until a resumption of work became permissible from end of July 2020 with re-opening of the Queensland border.

The initial stages of COVID-19 regulation, whilst impacting on capital raising sentiment, did not directly impact the Company as it was not seeking to raise capital at that time.

As part of the Company's COVID-19 response measures, all directors and staff received a 20% temporary reduction in remuneration from 1 April 2020. Payment of Non-Executive directors' fees for the June 2020 quarter has also been deferred to October 2020.

As has been demonstrated, when the Company was ready to both raise capital and undertake exploration activities on its projects in Queensland from the end of July 2020, it was able to do both with a heavily oversubscribed Share Placement raising \$4m and completing an Eloise JV drill program testing its Seer and Big Foot targets in August/September 2020.

Directors' Report

Other than Queensland border restrictions that may prevent the Groups access to its projects situated at this location, the Board does not consider the present level of COVID-19 restrictions will impact on it effectively carrying out its activities going forward in the foreseeable future.

No other 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 20 August 2020, the Company announced it had entered into a Binding Term Sheet to acquire the "Pyramid" tenement package, 180km south of Townsville, Queensland.

Under the terms of the acquisition, the Group will make an Option fee payment of \$25,000 to the vendor for a 60 day exclusivity period in which to complete its due diligence, in satisfaction of which the parties will enter into the proposed Sale and Purchase Agreement (S&PA). Under the S&PA, the Group will commit to pay \$150,000 cash (including the Option fee paid) and allot \$150,000 in MEP shares (based on a 5 day VWAP) in return for final transfer of titles.



Executive Team Assistant, Tori Druwitt, pegging holes at Big Foot



Senior Geologist, Andrew Burtt, photographing core at Seer

On the Groups publication of a JORC Resource of at least 25,000 oz Au grading not less than 1.8g/t Au it will pay \$150,000 cash, otherwise within 24 months of Completion, the Company will allot a further \$150,000 in MEP shares. A 1.5% NSR will apply to the first 50,000oz Au produced.

At the date of signing this Report, the Group is continuing its due diligence.

- On 26 August 2020, the Company announced its successful completion of a share placement raising \$4,050,000 before associated costs. The number of new shares issued as part of the placement was 81,000,000 at \$0.05 per share.
- On 27 August 2020, the Group divested its entire share holding in Auroch Minerals Ltd (ASX: AOU). The total consideration received was \$1,565,696.
- On 23 September 2020, the Company announced its successful completion of a share purchase plan raising \$2,113,183 before associated costs. The number of new shares issued as part of the share purchase plan was 42,263,650 at \$0.05 per share.

No other matter or circumstance has arisen since 30 June 2020 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 under option
Unlisted			
07/09/2016	06/09/2021	0.1150	2,530,000
12/12/2018	31/12/2021	0.0525	7,500,000
29/11/2019	28/11/2022	0.1000	11,400,000
29/11/2019	28/11/2022	0.1200	6,800,000
03/03/2020	28/11/2022	0.1000	5,250,000
03/03/2020	28/11/2022	0.1200	2,750,000
			36,230,000

Shares issued as a result of exercise of options

During or since the end of the financial year, the Company did not issue any ordinary shares as a result of the exercise of options (2019: Nil).

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 \$16,194. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

Directors' Report

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 to 28 November 2019, Non-Executive Director from 29 November 2019</i>
Dr Roger Higgins	<i>Non-Executive Chairman</i>
Mr Varis Lidums	<i>Commercial Manager and Company Secretary</i>
Mr Glen Little	<i>Exploration and Business Development Manager</i>
Mr George McKenzie	<i>Non-Executive Director</i>
Mr Andrew Woskett	<i>Managing Director</i>

Remuneration philosophy

Executive remuneration policies and structures

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 individual's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. When determining remuneration the Board has regard to the Group's financial performance and capacity.

How executive remuneration policies and structures are determined

Decisions about executive remuneration are guided by the following four principles:

- Fairness: provide a fair level of reward to all employees
- Outcomes: ensure correlation between reward and performance
- Alignment: as far as possible align employee and shareholder interests
- Corporate Culture: facilitate leadership standards that create a culture aligned to shareholders' interests.

Fixed remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for:

- The scope of the executive's role;
- The executive's skills, experience and qualifications; and
- Individual performance.

It is set with reference to comparable roles in similar companies.

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 Dr Antonio Belperio changed immediately after the Company's AGM on 28 November 2019, where he resigned as an Executive Director of the Company and was appointed as a Non-Executive Director of the Company. A summary of his employment conditions prior to his resignation as an Executive Directors are as follows:

Executive Director

The employment conditions of 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.

On 28 November 2019, Dr Antonio Belperio ceased employment with the Company.

Non-Executive Director

On 29 November 2019, Dr Antonio Belperio was appointed as a Non-Executive Director of the Company and is paid an annual retainer of \$45,000 per annum. Dr Belperio is also engaged by the Company as a consultant.

The employment conditions of the Exploration and Business Development 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 \$201,600 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 \$204,750 per annum. The Company may terminate the employment contract without cause by providing one (1) month written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

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

Non-Executive Directors		Annual Retainer
		\$
Dr Roger Higgins	<i>Non-Executive Chairman</i>	90,000
Dr Antonio Belperio	<i>Non-Executive Director</i>	45,000*
Mr George McKenzie	<i>Non-Executive Director</i>	45,000

* From 29 November 2019.

As part of the Company's COVID-19 response measures, all directors and key management personal received a 20% temporary reduction in remuneration from 1 April 2020. Payment of Non-Executive directors' fees for the June 2020 quarter has also been deferred to October 2020.

Directors' Report

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 2020 and 30 June 2019

	Short Term Employee Benefits		Post Employment	Share-based payments	Totals	Performance Based Percentage of Remuneration
	Salary & Fees (i)	Bonus	Superannuation	Options (ii)	\$	%
Antonio Belperio						
2020	89,685	-	14,891	52,000	156,576	-
2019	205,936	10,297	20,542	-	236,775	-
Roger Higgins						
2020	85,500	-	-	65,000	150,500	-
2019	90,000	-	-	-	90,000	-
George McKenzie						
2020	42,750	-	-	52,000	94,750	-
2019	45,000	-	-	-	45,000	-
Andrew Woskett						
2020	339,259	-	-	126,800	466,059	-
2019	355,675	17,784	-	-	373,459	-
Total						
2020	557,194	-	14,891	295,800	867,885	-
2019	696,611	28,081	20,542	-	745,234	-

Table 2: Remuneration of other key management personnel for the year ended 30 June 2020 and 30 June 2019

	Short Term Employee Benefits		Post Employment	Share-based payments	Totals	Performance Based Percentage of Remuneration
	Salary & Fees	Bonus	Superannuation	Options	\$	%
Varis Lidums						
2020	177,637	-	16,876	5,350	199,863	-
2019	176,921	8,904	17,785	19,250	222,860	-
Glen Little						
2020	183,285	-	17,412	8,500	209,197	-
2019	183,228	8,767	18,240	13,090	223,325	-
Total						
2020	360,922	-	34,288	13,850	409,060	-
2019	360,149	17,671	36,025	32,340	446,185	-

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.

- As part of the Company's COVID-19 response measures, all directors received a 20% reduction in fees from 1 April 2020. Fees relating to Non-Executive Directors reported in the remuneration table above include an accrual for the June 2020 quarter fees at this reduced rate. It is noted that payment of the June 2020 quarter fees have been deferred to October 2020.
- It is noted that share-based payments reported in the remuneration tables above are not cash payments and represent the fair value of options at the date of issue using the Black-Scholes pricing model.



Senior Geophysicist, Louise L'Oste-Brown, collecting drill chip samples at Seer

Directors' Report



Cultural heritage survey with Jangga at Windsor project

Other transactions with key management personnel

Throughout the year \$57,020 (2019: \$55,933) (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 2020 financial year.

During the 2019 financial year a number of Minotaur's key management personnel received a cash bonus. Bonuses are paid at the discretion of the Board. All available bonuses to directors and other key management personnel were paid during the year.

Share based remuneration

Options may be granted to key management personnel at the discretion of the Board under an Employee Share Option Plan. All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements. All options expire on the earlier of their expiry date or termination of the individual's employment.

Details of options over ordinary shares in the Company that were granted during the year as remuneration to each director 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
<i>Directors</i>							
Antonio Belperio	2,000,000	29/11/19	0.017	34,000	2,000,000	0.10	28/11/22
Antonio Belperio	1,200,000	29/11/19	0.015	18,000	1,200,000	0.12	28/11/22
Roger Higgins	2,500,000	29/11/19	0.017	42,500	2,500,000	0.10	28/11/22
Roger Higgins	1,500,000	29/11/19	0.015	22,500	1,500,000	0.12	28/11/22
George McKenzie	2,000,000	29/11/19	0.017	34,000	2,000,000	0.10	28/11/22
George McKenzie	1,200,000	29/11/19	0.015	18,000	1,200,000	0.12	28/11/22
Andrew Woskett	4,900,000	29/11/19	0.017	83,300	4,900,000	0.10	28/11/22
Andrew Woskett	2,900,000	29/11/19	0.015	43,500	2,900,000	0.12	28/11/22

Details of options over ordinary shares in the Company that were granted during the year as remuneration to each of the other 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
<i>Other key management</i>							
Varis Lidums	600,000	03/03/20	0.006	3,600	600,000	0.10	28/11/22
Varis Lidums	350,000	03/03/20	0.005	1,750	350,000	0.12	28/11/22
Glen Little	1,000,000	03/03/20	0.006	6,000	1,000,000	0.10	28/11/22
Glen Little	500,000	03/03/20	0.005	2,500	500,000	0.12	28/11/22

Options held by key management personnel

The number of options to acquire shares in the Company held during the 2020 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	Expired	Balance at end of period	Expiry date	First exercise date
<i>Directors – Unlisted options</i>							
Antonio Belperio	2,750,000	3,200,000	-	(2,750,000)	3,200,000	28/11/22	29/11/19
Roger Higgins	2,500,000	4,000,000	-	(2,500,000)	4,000,000	28/11/22	29/11/19
George McKenzie	2,000,000	3,200,000	-	(2,000,000)	3,200,000	28/11/22	29/11/19
Andrew Woskett	5,000,000	7,800,000	-	(5,000,000)	7,800,000	28/11/22	29/11/19
<i>Other key management – Unlisted options</i>							
Varis Lidums	450,000	-	-	(450,000)	-	21/11/19	20/11/14
Varis Lidums	400,000	-	-	-	400,000	06/09/21	07/09/16
Varis Lidums	1,250,000	-	-	-	1,250,000	31/12/21	12/12/18
Varis Lidums	-	950,000	-	-	950,000	28/11/22	03/03/20
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
Glen Little	850,000	-	-	-	850,000	31/12/21	12/12/18
Glen Little	-	1,500,000	-	-	1,500,000	28/11/22	03/03/20

Shares held by key management personnel

The number of fully paid ordinary shares in the Company held during the 2020 reporting period by each of the key management personnel of the Group; including their related parties are set out below.

	Balance at 1 July 2019	On-market acquisitions	Disposals	Balance 30 June 2020
<i>Directors</i>				
Antonio Belperio	2,477,036	-	-	2,477,036
Roger Higgins	1,000,000	1,864,159	-	2,864,159
George McKenzie	1,059,100	-	-	1,059,100
Andrew Woskett	205,000	835,000	-	1,040,000
<i>Other key management</i>				
Varis Lidums	-	-	-	-
Glen Little	58,956	-	-	58,956

Directors' Report

Use of remuneration consultants

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

Voting and comments made at the Company's 2019 Annual General Meeting

Minotaur Exploration Ltd received more than 96% of "yes" votes on its remuneration report for the 2019 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	6	6	-	-
Roger Higgins	6	6	2	2
George McKenzie	6	6	2	2
Andrew Woskett	6	6	-	-

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.



Senior Geologist, Andrew Burt, discussing the planned drilling at the Seer prospect with a driller

Non-audit services

During the year, Grant Thornton Audit Pty Ltd, 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 Audit Pty Ltd, and its related practices for audit and non-audit services provided during the year are set out in Note 23 to the Financial Statements.

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 21 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the directors:



Roger Higgins

Chair

Dated this 25th day of September 2020

AUDITOR'S INDEPENDENCE DECLARATION



Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

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 2020, 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, likely belonging to J. L. Humphrey.

J. L. Humphrey
Partner – Audit & Assurance

Adelaide, 25 September 2020

Grant Thornton Audit Pty Ltd ACN 130 913 594
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FINANCIAL REPORT

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

		Consolidated Group	
	Note	30 June 2020	30 June 2019
		\$	\$
Revenue	4 (a)	92,126	311,654
Other income	4 (b)	1,584,256	138,715
Impairment of exploration and evaluation assets	4 (c)	(3,050,565)	(2,960,520)
Project generation costs	4 (c)	(368,970)	(194,897)
Employee benefits expense	4 (d)	(835,873)	(610,228)
Depreciation expense	4 (c)	(236,631)	(126,364)
Finance costs	14	(36,150)	-
Other expenses	4 (e)	(801,545)	(914,119)
Loss before income tax expense		(3,653,352)	(4,355,759)
Income tax benefit	5	533,611	195,255
Loss for the year		(3,119,741)	(4,160,504)
Other comprehensive income (net of tax)			
<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		(697,828)	(295,683)
Total comprehensive income for the year attributable to the members of the parent entity		(3,817,569)	(4,456,187)
Earnings per share			
Basic earnings per share (cents)	6	(0.88)	(1.44)
Diluted earnings per share (cents)	6	(0.88)	(1.44)

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

FINANCIAL REPORT

Consolidated Statement of Financial Position

as at 30 June 2020

		<i>Consolidated Group</i>	
		30 June 2020	30 June 2019
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	2,420,189	3,985,806
Trade and other receivables	8	434,485	284,215
Other current assets	9	137,875	136,307
		2,992,549	4,406,328
Held-for-sale assets	10	-	635,222
TOTAL CURRENT ASSETS		2,992,549	5,041,550
NON-CURRENT ASSETS			
Financial assets	11	901,655	332,672
Right-of-use assets	14	861,845	-
Property, plant and equipment	12	490,754	500,554
Exploration and evaluation assets	13	6,257,579	7,589,649
TOTAL NON-CURRENT ASSETS		8,511,833	8,422,875
TOTAL ASSETS		11,504,382	13,464,425
CURRENT LIABILITIES			
Trade and other payables	16	1,840,938	2,925,298
Lease liabilities	14	229,214	-
Borrowings	17	23,504	26,713
Short-term provisions	18	368,830	438,028
TOTAL CURRENT LIABILITIES		2,462,486	3,390,039
NON-CURRENT LIABILITIES			
Lease liabilities	14	662,841	-
Borrowings	17	1,246,797	985,597
Long-term provisions	18	24,663	23,506
TOTAL NON-CURRENT LIABILITIES		1,934,301	1,009,103
TOTAL LIABILITIES		4,396,787	4,399,142
NET ASSETS		7,107,595	9,065,283
EQUITY			
Issued capital	19	49,684,911	48,166,080
Reserves	20	(200,193)	962,210
Accumulated losses	21	(42,377,123)	(40,063,007)
TOTAL EQUITY		7,107,595	9,065,283

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2020

Consolidated Group						
		Issued Capital	Share Option Reserve	Other Components of Equity (Note 20)	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 loss for the year		-	-	-	(3,119,741)	(3,119,741)
Other comprehensive income for the year		-	-	(697,828)	-	(697,828)
Total comprehensive income for the year		-	-	(697,828)	(3,119,741)	(3,817,569)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Issue of shares as part consideration for the acquisition of the Windsor project	18	150,000	-	-	-	150,000
Issue of shares through Placement	18	1,500,000	-	-	-	1,500,000
Transaction costs on shares issued		(131,169)	-	-	-	(131,169)
Issue of options to directors and employees		-	341,050	-	-	341,050
Transfers upon lapse of options		-	(929,234)	-	929,234	-
Transfers upon sale of equity instruments		-	-	123,609	(123,609)	-
		1,518,831	(588,184)	123,609	805,625	1,859,881
Balance at 30 June 2020		49,684,911	559,521	(759,714)	(42,377,123)	7,107,595

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

FINANCIAL REPORT

Consolidated Statement of Changes in Equity

for the year ended 30 June 2020 (continued)

Consolidated Group					
	Issued Capital	Share Option Reserve	Other Components of Equity (Note 20)	Accumulated Losses	Total Equity
Note	\$	\$	\$	\$	\$
Balance at 1 July 2018	44,940,370	1,032,205	110,188	(35,902,503)	10,180,260
Comprehensive income					
Total loss for the year	-	-	-	(4,160,504)	(4,160,504)
Other comprehensive income for the year	-	-	(295,683)	-	(295,683)
Total comprehensive income for the year	-	-	(295,683)	(4,160,504)	(4,456,187)
Transactions with owners, in their capacity as owners, and other transfers					
Issue of shares as part consideration for the acquisition of the Highlands project	18	275,000	-	-	275,000
Issue of shares through Share Placement and Share Purchase Plan	18	3,161,234	-	-	3,161,234
Transaction costs on shares issued		(210,524)	-	-	(210,524)
Issue of options to employees under the Company's ESOP		-	115,500	-	115,500
	3,225,710	115,500	-	-	3,341,210
Balance at 30 June 2019	48,166,080	1,147,705	(185,495)	(40,063,007)	9,065,283

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2020

	Note	Consolidated Group	
		30 June 2020 \$	30 June 2019 \$
Cash flows from operating activities			
Receipts from customers		92,126	318,225
Payments to suppliers and employees		(1,676,263)	(1,762,801)
Interest received		3,486	7,144
COVID-19 cash flow boost received		50,000	-
R&D tax incentive received		354,158	315,419
Net cash used in operating activities	7	(1,176,493)	(1,122,013)
Cash flows from investing activities			
Payments for property, plant and equipment		(8,952)	(3,733)
Proceeds from sale of property, plant and equipment		4,750	-
Purchase of equity instruments		-	(110,000)
Proceeds from sale of equity instruments less costs		357,033	-
Proceeds from sale of tenements		225,000	-
Acquisition of Windsor and Highlands projects		(150,000)	(125,000)
Option, exclusivity, extension and signing fees received		225,000	125,000
Joint Operation receipts		1,884,433	7,604,863
Government grants received for exploration activities		-	116,323
Payment for exploration activities		(4,553,205)	(8,090,695)
Net cash used in investing activities		(2,015,941)	(483,242)
Cash flows from financing activities			
Proceeds from issue of shares through share purchase plan and share placement		1,500,000	3,161,234
Payment of transaction costs for issue of shares		(131,169)	(210,524)
Proceeds from Jericho project loan carry arrangement		284,425	644,131
Repayment of borrowings		(26,439)	(23,821)
Net cash provided by financing activities		1,626,817	3,571,020
Net increase in cash and cash equivalents		1,565,617	1,965,765
Cash at the beginning of the year		3,985,806	2,020,041
Cash at the end of the year	7	2,420,189	3,985,806

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

FINANCIAL REPORT

Notes to the Consolidated Financial Statements for the year ended 30 June 2020

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 2020 were approved and authorised for issue by the Board of Directors on 25 September 2020.

a) Principle of Consolidation

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

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

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

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

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 43.5% refundable tax offset is available for companies with annual turnover of less than \$20 million. The Group recognises refundable tax offsets based on management's best estimate 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.

FINANCIAL REPORT

Notes to the Consolidated Financial Statements for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Plant and equipment

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

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

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

Depreciation

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

The useful life for each class of depreciable assets are:

Class of Fixed Asset	Useful Life
Leasehold improvements	3 – 7 years
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

As explained in Note 1(u) below, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described in Note 14, and the impact of the change in Note 1(u).

Until 30 June 2019

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.

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. It should be noted that on implementation of the new standard there was no financial impact.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be initially classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

FINANCIAL REPORT

Notes to the Consolidated Financial Statements for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and a joint operation loan receivable.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the

transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

FINANCIAL REPORT

Notes to the Consolidated Financial Statements for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g) Investments in associates, joint ventures and joint operations

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 (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.

i. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

j) 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.

k) 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.

FINANCIAL REPORT

Notes to the Consolidated Financial Statements for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

l) 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.

m) 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.

n) 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 over time as 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).

o) 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.

p) 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.

q) 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.

r) 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.

s) Comparative figures

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

t) Going concern

The Group's financial statements are prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the year ended 30 June 2020 the group recognised a loss of \$3,111,741, had net cash outflows from operating and investing activities of \$3,192,434, and had accumulated losses of \$42,377,123 as at 30 June 2020. The continuation of the group as a going concern is dependent upon its ability to generate sufficient net cash inflows from operating and financing activities and manage the level of exploration and other expenditure within available cash resources. The Directors consider that the going concern basis of accounting is appropriate, as the company has the following options:

- The ability to issue share capital under the Corporations Act 2001, by a share purchase plan, share placement or rights issue;
- The option of farming out all or part of its assets;
- The option of selling interests in the Group's assets; and
- The option of relinquishing or disposing of rights and interests in certain assets.

In the event that the group is unsuccessful in implementing one or more of the funding options listed above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

u) 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 \$6,257,579 (2019: \$7,589,650).

iii. Research and development incentive

The Group currently recognises Research and Development incentives on an accrual basis of costs incurred during the financial year. Management complete a detailed estimate of the expected claim relating to the financial year based on current projects lodged with AusIndustry.

FINANCIAL REPORT

Notes to the Consolidated Financial Statements for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

v) 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 2019. Information on the more significant standards is presented below.

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 (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:

	2019 \$
Operating lease commitments disclosed as at 30 June 2019	8,802
Add: new premises lease liabilities recognised as at 30 June 2019	1,077,306
(Less): short-term and low-value leases not recognised as a liability	(8,802)
Lease liability recognised as at 1 July 2019	1,077,306
Of which are:	
Current lease liabilities	222,000
Non-current lease liabilities	855,306
	1,077,306

The associated right-of use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

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

Summary of new accounting policies

Set out at Note 14 are the new accounting policies of the Group upon adoption of AASB 16, which have been applied from the date of initial application.

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

There are no new standards, amendments or interpretations that are issued and not yet effective which will have a material impact on the Group in future years. None have been adopted early by the Group.

2 PARENT INFORMATION

	30 June 2020 \$	30 June 2019 \$
Assets		
Current assets	3,605,535	4,108,163
Non-current assets	7,699,411	7,676,811
	11,304,946	11,784,974
Liabilities		
Current liabilities	2,925,890	1,710,588
Non-current liabilities	1,271,461	1,009,103
	4,197,351	2,719,691
Equity		
Issued capital	49,684,911	48,166,080
Reserves – Share option	559,521	1,147,705
Accumulated losses	(43,136,837)	(40,248,502)
	7,107,595	9,065,283
Financial performance		
Loss for the year	(3,817,569)	(4,456,187)
Other comprehensive income	-	-
	(3,817,569)	(4,456,187)

FINANCIAL REPORT

Notes to the Consolidated Financial Statements

for the year ended 30 June 2020

2 PARENT INFORMATION

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 25. The contingent liabilities of the parent are consistent with that of the Group.

Contractual Commitments

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

3 OPERATING SEGMENTS

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

4 REVENUE AND EXPENSES

	Consolidated Group	
	30 June 2020 \$	30 June 2019 \$
a) Revenue		
Administration fees	80,366	292,086
Rent received	11,760	19,568
	92,126	311,654
Timing of revenue recognition		
Goods transferred at a point in time	92,125	311,654
Services transferred over time	-	-
Total revenue	92,125	311,654
b) Other income		
Option, exclusivity, signing and extension fees received	225,000	125,000
Net gain on disposal of exploration assets	1,240,708	-
Bank interest received or receivable	3,486	7,144
COVID-19 cash flow boost received or receivable	100,000	-
Other income	15,062	6,571
	1,584,256	138,715

c) Expenses*Impairment of non-current assets*

Impairment of exploration and evaluation assets

3,050,565

2,960,520

Total impairment of non-current assets**3,050,565****2,960,520***Project generation costs*

Project generation costs

368,970

194,897

Total project generation costs**368,970****194,897***Depreciation of non-current assets*

Right-of-use assets

215,461

-

Buildings

7,937

7,937

Leasehold improvements

-

90,138

Plant and equipment

10,518

24,670

Motor vehicles

2,715

3,619

Total depreciation of non-current assets**236,631****126,364****d) Employee benefits expense**

Wages, salaries, directors' fees and other remuneration expenses

1,709,802

2,418,210

Superannuation expense

119,292

171,227

Transfer from annual leave provision

(25,053)

(67,194)

Transfer from long service leave provision

(42,988)

(73,223)

Share options expense

341,051

115,500

Transfer to exploration assets

(1,266,231)

(1,954,292)

835,873**610,228****e) Other expenses**

Professional and consultancy

213,232

227,982

Employee taxes and levies

61,735

104,556

Occupancy costs

47,225

265,221

Insurance costs

48,636

48,232

ASX/ASIC costs

46,615

40,235

Share register maintenance

44,176

22,340

Communication costs

7,340

7,328

Promotion and seminars

23,501

47,951

Other expenses

309,085

150,274

801,545**914,119**

FINANCIAL REPORT

Notes to the Consolidated Financial Statements

for the year ended 30 June 2020

5 INCOME TAX BENEFIT

	<i>Consolidated Group</i>	
	30 June 2020 \$	30 June 2019 \$
The major components of income tax benefit are:		
Statement of comprehensive income		
<i>Current income tax</i>		
Current income tax charge	-	-
Research and development tax incentive	(533,611)	(195,255)
Income tax benefit reported in the income statement	(533,611)	(195,255)

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:

	<i>Consolidated Group</i>	
	30 June 2020 \$	30 June 2019 \$
Accounting loss before income tax	(3,653,352)	(4,355,759)
At the Group's statutory income tax rate of 27.5% (2019: 27.5%)	(1,004,672)	(1,197,834)
Expenditure not allowable for income tax purposes	95,404	32,053
Revenue non-assessable for tax purposes	(27,500)	-
Research and development tax incentive	(533,611)	(195,255)
Tax losses not recognised due to not meeting recognition criteria	936,768	1,165,781
	(533,611)	(195,255)

The Group has tax losses arising in Australia of \$87,961,446 (2019: \$87,865,423) that are available indefinitely for offset against future taxable profits generated by the Group. In addition the Group has \$8,049,531 (2019: \$7,925,923) 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. On 29 August 2019, Altia Resources Pty Ltd left the tax consolidated group following the Group's divestment in its shares in this subsidiary. On 20 May 2020, Scotia Nickel Pty Ltd also left the tax consolidated group upon its deregistration as a company. Minotaur Gold Solutions Pty Ltd joined the income tax consolidated group on 31 March 2017 and subsequently left the tax consolidated group on 29 August 2019, following the Group's divestment in its shares in this subsidiary. 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:

	Consolidated Group	
	30 June 2020	30 June 2019
Net loss attributable to ordinary equity holders of the parent	(\$3,119,741)	(\$4,160,504)
Weighted average number of ordinary shares for basic earnings per share	352,667,042	288,306,568

Effect of dilution

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 2020.

As no dilutive effect has been taken into account for 2020, 36,230,000 potential ordinary shares have not been included in the calculation.

7 CASH AND CASH EQUIVALENTS

	Consolidated Group	
	30 June 2020 \$	30 June 2019 \$
Cash and cash equivalents		
Cash at bank and on hand	2,182,089	3,747,706
Short-term deposits	238,100	238,100
	2,420,189	3,985,806

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.

Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows include \$1,500,530. These funds have been received in advance for joint operation related exploration expenditure and are therefore not available for general use by the Group.

In addition, included in short-term deposits is \$238,100 relating to deposits to secure tenements and rental tenancy and as such is restricted for this use.

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:

	Consolidated Group	
	30 June 2020 \$	30 June 2019 \$
Cash at bank and on hand	2,182,089	3,747,706
Short-term deposits	238,100	238,100
	2,420,189	3,985,806

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Notes to the Consolidated Financial Statements for the year ended 30 June 2020

7 CASH AND CASH EQUIVALENTS

	<i>Consolidated Group</i>	
	30 June 2020 \$	30 June 2019 \$
Reconciliation of net loss after tax to net cash flows from operations		
Net loss	(3,119,741)	(4,160,504)
<i>Adjustments for non-cash items:</i>		
Depreciation – Property, plant and equipment	21,170	126,364
Depreciation – Right-of-use assets	215,461	-
Impairment of non-current assets and project generation costs	3,419,535	3,155,417
Net gain on disposal of property, plant and equipment, equity investments and tenements	(1,480,770)	-
Share options expensed	341,051	115,500
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	15,201	(199,154)
Decrease/(increase) in accrued R&D tax incentive	(179,453)	120,164
Decrease in prepayments	6,341	1,382
Decrease in trade and other payables	(347,244)	(140,765)
(Decrease)/increase in employee provisions	(68,042)	(140,417)
Net cash used in operating activities	(1,176,491)	(1,122,013)
8 TRADE AND OTHER RECEIVABLES		
Trade receivables	2,506	31,689
Accrued R&D tax incentive	431,979	252,526
	434,485	284,215

Trade receivables are non-interest bearing and are generally on 30-90 day terms.

Information regarding the credit risk of current receivables is set out in Note 27.

9 OTHER CURRENT ASSETS

	Consolidated Group	
	30 June 2020	30 June 2019
	\$	\$
Prepayments	40,813	47,154
COVID cash flow boost receivable	50,000	-
Net GST and PAYG receivable	-	66,334
Other	47,062	22,819
	137,875	136,307

10 HELD-FOR-SALE ASSETS

Opening balance	635,222	-
Transfers from exploration assets (i)	-	635,222
Less: Disposal of subsidiaries (see note 23)	(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. Refer to Note 23.

11 FINANCIAL ASSETS

	Consolidated Group	
	30 June 2020	30 June 2019
	\$	\$
<i>Equity instruments at fair value through OCI – shares in listed companies</i>		
Opening balance	332,672	518,355
Equity consideration for the sale of Altia Resources Pty Ltd and Minotaur Gold Solutions Pty Ltd	1,650,000	-
Revaluations to fair value	(697,828)	(295,683)
Disposal of shares in listed companies	(383,189)	-
Acquisition of shares in listed companies	-	110,000
	901,655	332,672

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Notes to the Consolidated Financial Statements

for the year ended 30 June 2020

12 PROPERTY, PLANT AND EQUIPMENT

30 June 2020	Land and buildings	Leasehold improvements	Plant and equipment	Kaolin Pilot Plant	Motor Vehicles	Total
<i>Cost</i>						
Opening balance	508,723	611,218	377,018	283,765	187,253	1,967,977
Additions	-	-	16,072	-	-	16,072
Disposals	-	-	(18,697)	-	(1,700)	(20,397)
	508,723	611,218	374,393	283,765	185,553	1,963,652
<i>Accumulated depreciation</i>						
Opening balance	39,685	611,218	356,360	283,765	176,395	1,467,423
Depreciation for the year	7,937	-	10,518	-	2,715	21,170
Disposals	-	-	(13,995)	-	(1,700)	(15,695)
	47,622	611,218	352,883	283,765	177,410	1,472,898
Net book value	461,101	-	21,510	-	8,143	490,754

Property is measured at historical cost less accumulated depreciation. Land and buildings with a net book value of \$461,101 (2019: \$469,038) is offered as security against a mortgage of \$341,740.

30 June 2019	Land and buildings	Leasehold improvements	Plant and equipment	Kaolin Pilot Plant	Motor Vehicles	Total
<i>Cost</i>						
Opening balance	508,723	611,218	373,285	283,765	187,253	1,964,244
Additions	-	-	3,733	-	-	3,733
Disposals	-	-	-	-	-	-
	508,723	611,218	377,018	283,765	187,253	1,967,977
<i>Accumulated depreciation</i>						
Opening balance	31,748	521,080	331,690	283,765	172,776	1,341,059
Depreciation for the year	7,937	90,138	24,670	-	3,619	126,364
Disposals	-	-	-	-	-	-
	39,685	611,218	356,360	283,765	176,395	1,467,423
Net book value	469,038	-	20,658	-	10,858	500,554

13 EXPLORATION AND EVALUATION ASSETS

	<i>Consolidated Group</i>	
	30 June 2020 \$	30 June 2019 \$
Exploration, evaluation and development costs carried forward in respect of mining areas of interest		
Exploration and evaluation phase – Joint Operations	5,482,615	7,256,212
Exploration and evaluation phase – Other	774,964	333,437
	6,257,579	7,589,649

Capitalised tenement expenditure movement reconciliation - Consolidated Group:

	Exploration Joint Operations \$	Exploration Other \$	Total \$
30 June 2020			
Balance at beginning of year	7,256,212	333,437	7,589,649
Additions through expenditure capitalised	1,923,878	1,100,594	3,024,472
Additions through acquisition of Windsor project	-	300,000	300,000
Reductions through joint operation contributions	(1,605,977)	-	(1,605,977)
Write-off of tenements relinquished	(2,091,498)	(959,067)	(3,050,565)
Balance at end of year	5,482,615	774,964	6,257,579
30 June 2019			
Balance at beginning of year	7,483,688	1,177,310	8,660,998
Additions through expenditure capitalised	8,488,116	1,073,431	9,561,547
Additions through acquisition of Highlands project	-	400,000	400,000
Reductions through joint operation contributions	(7,320,831)	-	(7,320,831)
Reductions through government grants received	(116,323)	-	(116,323)
Write-off of tenements relinquished	(1,487,045)	(1,473,475)	(2,960,520)
Transfers to Held-for-sale assets	-	(635,222)	(635,222)
Transfers between categories	208,607	(208,607)	-
Balance at end of year	7,256,212	333,437	7,589,649

The impairment expense of \$3,050,565 (2019: \$2,960,520) 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.

Joint operations

A joint operation is a joint arrangement whereby the parties that joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

FINANCIAL REPORT

Notes to the Consolidated Financial Statements for the year ended 30 June 2020

13 EXPLORATION AND EVALUATION ASSETS

Set out below are details of the Group's joint operations and their respective ownership conditions:

Eloise project

The Eloise project is a joint operation between OZ Minerals Ltd (ASX: OZL) owning 70% and the Group owning 30%. OZ Minerals has committed to contribute a further \$3 million towards exploration activity over a 24 month period, with its 70% interest remaining static.

Jericho project

The Jericho project is a joint operation between OZ Minerals Ltd (ASX: OZL) and the Group. From 1 April 2019 OZ Minerals Ltd's ownership of the project was set at 80% (with the Group owning 20%) from which time all activity is sole funded by OZ Minerals Ltd. The Groups 20% contribution to the joint operation is treated as a non-recourse loan advanced by OZ Minerals Ltd and repayable only from positive cash flow from commercial production at Jericho.

Cloncurry Alliance

On 14 May 2019, the Company announced it had entered into a Cloncurry Regional Alliance (the "Alliance") with OZ Minerals Ltd. The Alliance was established on a 70% OZ Minerals Ltd and 30% Minotaur Group ownership structure. To initiate the Alliance OZ Minerals Ltd committed to fund the Group's prospect research and project generation activity in the region to \$1 million over 2 years.

Breena Plains project

As a results of the Cloncurry Alliance mentioned above, a joint operation between the Alliance (being OZ Minerals Ltd and the Group) and Sandfire Resources Ltd (ASX: SFR) was established for the Breena Plains project. The project requires OZ Minerals Ltd, on behalf of the Alliance, to invest \$1m in exploration in the first year. Thereafter the Alliance may earn a 51% interest in the project by sole funding a further \$3 million through the next 2 year period. The Alliance may then earn an additional 24% interest for a further expenditure of \$4m over the subsequent 2 years. Thus, to attain its maximum interest of 75% over 5 years the Alliance must invest \$8 million.

Great White project

The Great White project is a joint operation between Andromeda Metals Ltd (ASX: ADN) owning 51% and the Group owning 49%. Through sole contribution of a further \$3m by March 2023 Andromeda Metals Ltd may earn its maximum interest of 75%.

14 NON-FINANCIAL ASSETS AND LIABILITIES

This note provides information about the Group's non-financial assets and liabilities, including specific information about the Groups Right-of-use assets and Lease liabilities and the accounting policies applied by the Group.

During the year the Group renewed its lease for its principal place of business. The lease entered into expires on 9 July 2024 and includes an escalation clause linked to CPI.

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 \$	Lease liabilities \$
As at 1 July 2019	-	-
Additions	1,077,306	1,077,306
Depreciation expense	(215,461)	-
Interest expense (included in finance costs)	-	36,150
Payments	-	(221,401)
As at 30 June 2020	861,845	892,055
Current	-	229,214
Non-current	861,845	662,841
	861,845	892,055

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.

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Notes to the Consolidated Financial Statements

for the year ended 30 June 2020

15 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, maybe 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:

	2020	2020	2019	2019
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	15,135,000	\$0.11	7,635,000	\$0.17
Granted during the year	26,200,000	\$0.08	7,500,000	\$0.03
Forfeited during the year	-	-	-	-
Expired during the year	(5,105,000)	\$0.06	-	-
Outstanding at the end of the year	36,230,000	\$0.10	15,135,000	\$0.11
Exercisable at the end of the year	36,230,000	\$0.10	15,135,000	\$0.11

The outstanding balance as at 30 June 2020 is represented by:

- A total of 2,530,000 options exercisable at any time until 6 September 2021 with an exercise price of \$0.115.
- A total of 7,500,000 options exercisable at any time until 31 December 2021 with an exercise price of \$0.0525.
- A total of 16,650,000 options exercisable at any time until 28 November 2022 with an exercise price of \$0.10.
- A total of 9,550,000 options exercisable at any time until 28 November 2022 with an exercise price of \$0.12.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2020 is 2.14 years (2019: 1.74 years).

The range of exercise prices for options outstanding at the end of the year was \$0.0525 - \$0.12 (2019: \$0.0525 - \$0.19).

Share options issued to directors

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

16 TRADE AND OTHER PAYABLES

	<i>Consolidated Group</i>	
	30 June 2020 \$	30 June 2019 \$
Trade payables (i)	114,699	1,346,538
Joint operation funding received in advance (ii)	1,500,530	1,036,087
Net GST and PAYG payable	356	-
Accrued expenses	66,894	479,657
Other payables (iii)	158,459	63,016
	1,840,938	2,925,298

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- These funds have been received in advance for joint operation related exploration expenditure and have therefore been recognised as restricted cash not available for general use by the Group.
- 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 27.

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Notes to the Consolidated Financial Statements

for the year ended 30 June 2020

17 BORROWINGS

	<i>Consolidated Group</i>	
	30 June 2020 \$	30 June 2019 \$
<i>Current</i>		
Bank borrowings (i)	23,504	26,713
	23,504	26,713
<i>Non-current</i>		
Bank borrowings (i)	318,237	341,466
Jericho project loan carry arrangement (ii)	928,560	644,131
	1,246,797	985,597

- i. Bank borrowings reflect a secured interest and principal loan that is fully offset by unrestricted cash. There are no annual renewal or review terms.
- ii. In the Company's ASX Release dated 14 May 2019, the Company announced it had entered into a 'loan carry' arrangement with OZ Minerals Ltd through to commercial production from the Jericho copper deposit. In return, OZ Minerals' beneficial ownership of the Jericho JV increased from 70% to 80% (Minotaur 20%), effective 1 April 2019. From that date, loan amounts advanced by OZ Minerals to the Company will be non-recourse and repayable out of positive cash flow from production at Jericho.

18 PROVISIONS

	<i>Consolidated Group</i>	
	30 June 2020 \$	30 June 2019 \$
<i>Current</i>		
Annual leave provision	70,724	95,777
Long service leave provision	298,106	342,251
	368,830	438,028
<i>Non-current</i>		
Long service leave provision	24,663	23,506
	24,663	23,506

19 ISSUED CAPITALS

370,085,045 fully paid ordinary shares (2019: 334,396,917)	49,684,911	48,166,080
------------------------------------------------------------	-------------------	-------------------

	2020		2019	
	Number	\$	Number	\$
Balance at beginning of financial year	334,396,917	48,166,080	252,488,374	44,940,370
Issue of shares as part consideration for the acquisition of the Highlands project	-	-	5,152,883	275,000
Issue of shares as part consideration for the acquisition of the Windsor project	5,688,128	150,000	-	-
Issue of shares through Placement	30,000,000	1,500,000	76,755,660	3,161,234
Transaction costs on shares issued	N/A	(131,169)	N/A	(210,524)
Balance at end of financial year	370,085,045	49,684,911	334,396,917	48,166,080

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

20 RESERVES

	Consolidated Group	
	30 June 2020 \$	30 June 2019 \$
Reserves		
Share option reserve (a)	559,521	1,147,705
FVOCI reserve (b)	(759,714)	(185,495)
	(200,193)	962,210
a) Share option reserve		
Balance at beginning of financial year	1,147,705	1,032,205
Issue of options to employees and officers under employee share option plan	45,250	115,500
Issue of options to directors of the Company	295,800	-
Transfer to retained earnings upon lapse of options	(929,234)	-
Balance at end of financial year	559,521	1,147,705

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.

During the period unlisted share options were issued to employees under the Company's Employee Share Option Plan and to directors of the Company. The unlisted share options were issued under the following terms and conditions:

	Number of Options Issued	Exercise Price	Expiry Date
Unlisted options issued to employees of the Company	5,250,000	\$0.10	28/11/2022
Unlisted options issued to employees of the Company	2,750,000	\$0.12	28/11/2022
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.

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Notes to the Consolidated Financial Statements

for the year ended 30 June 2020

20 RESERVES

Share-based payments to employees issued under the Company's Employee Share Option Plan and to directors of the Company are measured at the fair value of the instruments issued and amortised over the vesting periods or expensed immediately if these vest on grant date.

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 share 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 employees of the Company		Options issued to directors of the Company	
	at \$0.10	at \$0.12	at \$0.10	at \$0.12
Share price at grant date:	\$0.032	\$0.032	\$0.045	\$0.045
Expected volatility:	79.12%	79.12%	79.94%	79.94%
Risk free rate:	0.45%	0.45%	0.63%	0.63%
Fair value at grant date:	\$0.006	\$0.005	\$0.017	\$0.015

	Consolidated Group	
	30 June 2020 \$	30 June 2019 \$
b) FVOCI reserve (previously Available-for-sale revaluation reserve)		
Balance at beginning of financial year	(185,495)	-
Reclassification of financial instruments under AASB 9	-	110,188
Transfer to accumulated losses upon disposal of listed shares	123,609	-
Net revaluation (decrement)/increment	(697,828)	(295,683)
Balance at end of financial year	(759,714)	(185,495)

The FVOCI reserve comprises the cumulative net change in the fair value of shares held in listed companies.

21 ACCUMULATED LOSSES

	Consolidated Group	
	30 June 2020 \$	30 June 2019 \$
Balance at beginning of financial year	(40,063,007)	(35,902,503)
Net loss attributable to members of the parent entity	(3,119,741)	(4,160,504)
Transfer from FVOCI reserve upon disposal of listed shares	(123,609)	-
Transfer from share option reserve – lapsed options	929,234	-
Balance at end of financial year	(42,377,123)	(40,063,007)

22 COMMITMENTS FOR EXPENDITURE

	<i>Consolidated Group</i>	
	30 June 2020 \$	30 June 2019 \$
Operating leases		
Not longer than 1 year	-	8,802
Longer than 1 year and not longer than 5 years	-	-
	-	8,802

The Group leases office space under a non-cancellable lease expiring within four years. The lease has an escalation clause linked to CPI and renewal rights. On renewal, the terms of the lease are renegotiated. From 1 July 2019, the Group has recognised a right-of-use asset for this lease. See Note 1(v) and Note 14 for further information.

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 2021 amounts of approximately \$3.1m in respect of exploration licence rentals and related items and to meet minimum expenditure requirements. It is expected that of the minimum expenditure requirement, \$1.35m will be funded by the Group and \$1.75m will be funded by JV partners.

It is noted that of the Groups net expenditure of \$1.35m, \$0.67m is not currently required to be met due to the Queensland Government announcing funding relief as part of their COVID-19 response package. The net obligation to the Group is expected to be fulfilled in the normal course of operations.

23 DISPOSAL OF SUBSIDIARIES

As referred to in Note 10 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 (ASX: AOU)	1,473,450	176,550	1,650,000

FINANCIAL REPORT

Notes to the Consolidated Financial Statements for the year ended 30 June 2020

23 DISPOSAL OF SUBSIDIARIES

Fair value of shares in Auroch Minerals Ltd (ASX: AOU) allotted to the Group:

Number of shares	18,333,333
Closing share price on date of allotment	\$0.09
Date of allotment	29/08/2019

24 AUDITOR'S REMUNERATION

	<i>Consolidated Group</i>	
	30 June 2020	30 June 2019
	\$	\$
Audit or review of the financial report	50,333	46,295
Taxation compliance	14,700	17,650
Total auditor's remuneration	65,033	63,945

25 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 \$218,500 at 30 June 2020 (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 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.

26 CONTROLLED ENTITIES

Name of entity	Country of incorporation	Ownership interest	
		2020 %	2019 %
Parent entity			
Minotaur Exploration Limited	Australia		
Subsidiaries			
Minotaur Operations Pty Ltd	Australia	100	100
Minotaur Resources Investments Pty Ltd	Australia	100	100
Minotaur Industrial Minerals Pty Ltd	Australia	100	100
Great Southern Kaolin Pty Ltd	Australia	100	100
Breakaway Resources Pty Ltd	Australia	100	100
Scotia Nickel Pty Ltd (i)	Australia	-	100
Altia Resources Pty Ltd (ii)	Australia	-	100
Levuka Resources Pty Ltd	Australia	100	100
BMV Properties Pty Ltd	Australia	100	100
Minotaur Gold Solutions Pty Ltd (ii)	Australia	-	100
Natural Nanotech Pty Ltd	Australia	100	100

- i. On 20 May 2020, Scotia Nickel Pty Ltd was deregistered as a Company.
- ii. On 29 August 2019, the Group divested its shares in these subsidiaries. See Note 23 for further details.

27 FINANCIAL ASSETS AND LIABILITIES

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

30 June 2020					
		Equity instruments at FV through OCI	Cash	Loans and Receivables	Total
Financial assets	Note	\$	\$	\$	\$
		(Carried at fair value)	(Carried at amortised cost)		
Cash and cash equivalents	7	-	2,420,189	-	2,420,189
Trade and other receivables	8	-	-	434,485	434,485
Equity instruments	11,29	901,655	-	-	901,655
		901,655	2,420,189	434,485	3,756,329
			Payables	Borrowings	Total
Financial liabilities	Note		\$	\$	\$
			(Carried at amortised cost)		
Trade and other payables	16		1,840,938	-	1,840,938
Current borrowings	17,27(a)		-	23,504	23,504
Non-current borrowings	17,27(a)		-	1,246,797	1,246,797
			1,840,938		3,111,239

FINANCIAL REPORT

Notes to the Consolidated Financial Statements

for the year ended 30 June 2020

27 FINANCIAL ASSETS AND LIABILITIES

30 June 2019		Equity instruments at FV through OCI	Cash	Loans and Receivables	Total
Financial assets	Note	\$	\$	\$	\$
		(Carried at fair value)	(Carried at amortised cost)		
Cash and cash equivalents	7	-	3,985,806	-	3,985,806
Trade and other receivables	8	-	-	284,215	284,215
Equity instruments	11,29	332,672	-	-	332,672
		332,672	3,985,806	284,215	4,602,693
Financial liabilities	Note	Payables	Borrowings	Total	
		\$	\$	\$	
		(Carried at amortised cost)			
Trade and other payables	16	2,940,298	-	2,940,298	
Current borrowings	17,27(a)	-	26,713	26,713	
Non-current borrowings	17,27(a)	-	985,597	985,597	
		2,940,298	1,012,310	3,952,608	

A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 27.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 28.

27(a) Borrowings

Borrowings include the financial liabilities:

Financial liabilities	Current		Non-Current	
	2020	2019	2020	2019
<i>Carried at amortised cost</i>				
Borrowings	23,503	26,713	1,246,797	985,597
	23,503	26,713	1,246,797	985,597

All borrowings are denominated in AUD.

There are no covenants on the borrowings.

Borrowings at amortised cost

Bank borrowings are secured by land and buildings owned by the Group (see Note 12). Current interest rates are variable and average 4.52% (2019: 4.58%). The carrying amount of bank borrowings is considered to be a reasonable approximation of the fair value.

Other financial instruments

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

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

28 FINANCIAL RISK MANAGEMENT

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 18, 19, 20 respectively. Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs.

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>	Weighted average effective interest rate %	Less than 1 year \$
2020		
Variable interest rate	0.11	\$2,420,189
2019		
Variable interest rate	0.24	\$3,985,806

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 \$16,015 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.

FINANCIAL REPORT

Notes to the Consolidated Financial Statements

for the year ended 30 June 2020

28 FINANCIAL RISK MANAGEMENT

Liquidity and interest risk tables

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

<i>Consolidated</i>	Weighted average effective interest rate %	Less than 1 year \$	Longer than 1 year and not longer than 5 years \$	Longer than 5 year \$
2020				
Interest bearing	4.52	23,503	94,012	224,225
Non-interest bearing	-	1,840,938	-	-
2019				
Interest bearing	4.58	26,713	106,852	234,614
Non-interest bearing	-	2,940,298	-	-

Equity instrument risk management

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

29 FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- **level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **level 3:** unobservable inputs for the asset or liability

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2020 and 30 June 2019:

	Level 1	Level 2	Level 3	Total
30 June 2020	\$	\$	\$	\$
Financial assets at fair value				
<i>Equity instruments designated at FVOCI</i>				
Equity instruments	901,655	-	-	901,655
	901,655	-	-	901,655
30 June 2019				
Financial assets at fair value				
<i>Equity instruments designated at FVOCI</i>				
Equity instruments	332,672	-	-	332,672
	332,672	-	-	332,672

There were no transfers between Level 1 and Level 2 in 2020 or 2019.

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

30 RELATED PARTY DISCLOSURE AND KEY MANAGEMENT PERSONNEL REMUNERATION

Transactions with key management personnel

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

Directors

Dr Antonio Belperio	<i>Executive Director to 28 November 2019</i>
	<i>Non-Executive Director from 29 November 2019</i>
Dr Roger Higgins	<i>Non-Executive Chairman</i>
Mr George McKenzie	<i>Non-Executive Director</i>
Mr Andrew Woskett	<i>Managing Director</i>

Other key management personnel

Mr Varis Lidums	<i>Commercial Manager and Company Secretary</i>
Mr Glen Little	<i>Exploration and Business Development Manager</i>

Key management personnel remuneration includes the following expenses:

	30 June 2020 \$	30 June 2019 \$
Salaries including bonuses	918,116	1,102,512
Total short term employee benefits	918,116	1,102,512
Superannuation	49,179	56,567
Total post-employment benefits	49,179	56,567
Share based payments	309,650	32,340
Total share based payments	309,650	32,340
Total remuneration	1,276,945	1,191,419

FINANCIAL REPORT

Notes to the Consolidated Financial Statements for the year ended 30 June 2020

30 RELATED PARTY DISCLOSURE AND KEY MANAGEMENT PERSONNEL REMUNERATION

Transactions with associates

Throughout the year no transactions took place between Minotaur Exploration Limited and any associates (2019: \$Nil). In addition, no amounts were owed by any associates at the end of the year (2019: \$Nil).

Director and key management personnel related entities

Throughout the year \$57,020 (2019: \$55,933) (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 25. Transactions between Minotaur Exploration Limited and other entities in the wholly owned Group during the year consisted of loans advanced by Minotaur Exploration Limited to fund exploration activities.

31 POST-REPORTING DATE EVENTS

- On 20 August 2020, the Company announced it had entered into a Binding Term Sheet to acquire the "Pyramid" tenement package, 180km south of Townsville, Queensland.

Under the terms of the acquisition, the Group will make an Option fee payment of \$25,000 to the vendor for a 60 day exclusivity period in which to complete its due diligence, in satisfaction of which the parties will enter into the proposed Sale and Purchase Agreement (S&PA). Under the S&PA, the Group will commit to pay \$150,000 cash (including the Option fee paid) and allot \$150,000 in MEP shares (based on a 5 day VWAP) in return for final transfer of titles.

On the Groups publication of a JORC Resource of at least 25,000 oz Au grading not less than 1.8g/t Au it will pay \$150,000 cash, otherwise within 24 months of Completion, the Company will allot a further \$150,000 in MEP shares. A 1.5% NSR will apply to the first 50,000oz Au produced.

- At the date of signing this Report, the Group is continuing its due diligence.
- On 26 August 2020, the Company announced its successful completion of a share placement raising \$4,050,000 before associated costs. The number of new shares issued as part of the placement was 81,000,000 at \$0.05 per share.
- On 27 August 2020, the Group divested its entire share holding in Auroch Minerals Ltd (ASX: AOU). The total consideration received was \$1,565,696.
- On 23 September 2020, the Company announced its successful completion of a share purchase plan raising \$2,113,183 before associated costs. The number of new shares issued as part of the share purchase plan was 42,263,650 at \$0.05 per share.

No other matter or circumstance has arisen since 30 June 2020 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 27 to 60, 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 2020 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 25th day of September 2020

INDEPENDENT AUDITOR'S REPORT



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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 2020, 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 2020 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
Exploration and evaluation assets - Notes 1(d) & 13	
<p>At 30 June 2020 the carrying value of exploration and evaluation assets was \$6,257,579.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, 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"> obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; reviewing management's area of interest considerations against AASB 6; conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; 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; 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; assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and assessing the appropriateness of the related financial statement disclosures.

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

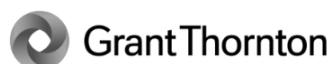
The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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.

INDEPENDENT AUDITOR'S REPORT



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_2020.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 2020.

In our opinion, the Remuneration Report of Minotaur Exploration Limited, for the year ended 30 June 2020 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.

A stylized signature of Grant Thornton in a cursive script.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A stylized signature of J.L. Humphrey in a cursive script.

J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 25 September 2020

ASX ADDITIONAL INFORMATION

Tenement Listing as at 30 September 2020

Lease ID	Lease Name	State	Holding Company	Minotaur Equity or Equity Earned %	JV Partner
Cloncurry Regional					
MDL432	Altia	QLD	Levuka Resources	40	Sandfire Resources
Highlands Project					
EPM16197	Blockade	QLD	Minotaur Operations	100	
EPM17914	Blockade East	QLD	Minotaur Operations	100	
EPM17947	Blockade East Extension	QLD	Minotaur Operations	100	
EPM19733	Mt Remarkable Consolidated	QLD	Minotaur Operations	100	
EPM18492	Mt Remarkable Extension	QLD	Minotaur Operations	100	
EPM17638	Phillips Hill	QLD	Minotaur Operations	100	
EPM14281	Yamamilla	QLD	Minotaur Operations	100	
Windsor Project					
EPM27426	Crooked Creek	QLD	Minotaur Operations	100	
Jericho Joint Venture (OZ Minerals)					
EPM25389	Fullarton	QLD	Minotaur Operations	20	OZ Minerals 80% in portion of the tenement
EPM26233	Route 66	QLD	Minotaur Operations	20	OZ Minerals 80% in portion of the tenement
MDL431	Eloise	QLD	Levuka Resources	20	OZ Minerals 80% in portion of the tenement, Sandfire Resources 60% in portion of the tenement
EPM17838	Levuka	QLD	Levuka Resources	20	OZ Minerals 80% in portion of the tenement Sandfire Resources 60% in portion of the tenement
Eloise Joint Venture (OZ Minerals)					
MDL431	Eloise	QLD	Levuka Resources	30	OZ Minerals 70% in portion of the tenement, Sandfire Resources 60% in portion of the tenement
EPM25389	Fullarton	QLD	Minotaur Operations	30	OZ Minerals 70% in portion of the tenement
EPM26233	Route 66	QLD	Minotaur Operations	30	OZ Minerals 70% in portion of the tenement
EPM26703	Holy Joe	QLD	Minotaur Operations	30	OZ Minerals 70%
EPM17838	Levuka	QLD	Levuka Resources	30	OZ Minerals 70% in portion of the tenement, Sandfire Resources 60% in portion of the tenement
EPMA27052	Matilda	QLD	Minotaur Operations	30	OZ Minerals 70%
EPM18624	Oorindi Park	QLD	Minotaur Operations	30	OZ Minerals 70%
EPM26684	Pink Hut	QLD	Minotaur Operations	30	OZ Minerals 70%
EPM25238	Saxby	QLD	Minotaur Operations	30	OZ Minerals 70%
EPMA27279	Swagman	QLD	Levuka Resources	30	OZ Minerals 70%
EPM26521	Sybellah	QLD	Minotaur Operations	30	OZ Minerals 70%
Industrial Minerals Project					
EL6128	Camel Lake	SA	Minotaur Operations	49	Andromeda Metals Ltd 51%
ELA5502	Casterton South	VIC	Minotaur Industrial Minerals	0	
ELA2019/73	Dromedary	SA	Minotaur Operations	0	
ELA6426	Mount Cooper	SA	Minotaur Operations	49	Andromeda Metals Ltd 51%
EL6202	Mount Hall	SA	Minotaur Operations	49	Andromeda Metals Ltd 51%

ASX ADDITIONAL INFORMATION

Tenement Listing as at 30 September 2020 (continued)

Lease ID	Lease Name	State	Holding Company	Minotaur Equity or Equity Earned %	JV Partner
Industrial Minerals Project (continued)					
EL6285	Sceales	SA	Minotaur Operations	100	
EL5814	Tootla	SA	Great Southern Kaolin	49	Andromeda Metals Ltd 51%
EL6096	Whichelby	SA	Minotaur Operations	49	Andromeda Metals Ltd 51%
EL5787	Yanerbie	SA	Minotaur Operations	100	
EPM26521	Sybellah	QLD	Minotaur Operations	30	OZ Minerals 70% in portion of the tenement
Peake & Denison Project					
EL6221	Big Perry	SA	Minotaur Operations	100	
EL6270	Davenport	SA	Minotaur Operations	100	
EL6222	Teemurrina	SA	Minotaur Operations	100	
EL6223	Wood Duck	SA	Minotaur Operations	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
EL6504	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 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 1688	West Kambalda	WA	Mariner Mining	1.5% NSR	
E15 1689	West Kambalda	WA	Mariner Mining	1.5% NSR	

Diluting interest over former EPM17061 area

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

Shareholdings as at 30 September 2020

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 2020.

DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital

493,398,695 fully paid ordinary shares are held by 2,758 shareholders.

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

Options

20,730,000 unlisted options are held by 18 option holders. The number of holders, by size of holding, in each class are:

Range	Ordinary Shares		Unlisted Options	
	Holders	% Shares	Holders	% Options
1 - 1,000	175	0.01	0	-
1,001 - 5,000	146	0.10	0	-
5,001 - 10,000	323	0.57	0	-
10,001 - 100,000	1,444	11.44	2	0.53
100,000 and over	670	87.88	16	99.47
	2,758	100	18	100
Holding less than a marketable parcel	382			

SUBSTANTIAL SHAREHOLDERS


Ordinary shareholders	Fully paid	
	Number	%
Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C>	26,441,569	5.36

Twenty largest holders of quoted equity securities	Fully paid ordinary shares	
	Number	%
Yarraandoo Pty Ltd	26,441,569	5.36
BNP Paribas Nominees Pty Ltd	22,361,283	4.53
Jetosea Pty Ltd	17,929,580	3.63
Citicorp Nominees Pty Limited	9,850,945	2.00
OZ Minerals Limited	8,041,670	1.63
Chetan Enterprises Pty Ltd	6,148,000	1.25
Bulldog Shale Pty Ltd	5,900,000	1.20
HSBC Custody Nominees (Australia) Limited	5,221,897	1.06
Kren Enterprise Pty Ltd	5,122,088	1.04
Mr Robert Lloyd Blesing	4,727,292	0.96
Mr Wei Guo Fan & Ms Hong Ji	4,588,888	0.93
Mr John Philip Daniels	4,586,237	0.93
Netwealth Investments Limited	4,294,406	0.87
Pershing Australia Nominees Pty Ltd	4,019,747	0.81
Surpion Pty Ltd	4,000,000	0.81
Mr William McArthur	3,630,000	0.74
National Nominees Limited	3,417,446	0.69
Curious Capital Group Pty Ltd	3,000,000	0.61
Mr Derek Robert McComber & Mrs Susan McComber	3,000,000	0.61
RJ & KE Super Fund Pty Ltd	3,000,000	0.61
Mr Kalpesh Varsani & Mrs Rita Varsani	3,000,000	0.61
	152,281,048	30.86



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 www.minotaurexploration.com.au

 www.linkedin.com/company/minotaur-exploration

