Minotaur Exploration Limited

ABN 35 108 483 601

Annual Financial Report

for the year ended 30 June 2021

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Corporate Directory

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

COMPANY SECRETARY
Mr Varis Lidums

REGISTERED OFFICE
C/- O'Loughlins Lawyers
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Adelaide SA 5000

PRINCIPAL PLACE OF BUSINESS
Level 1, 8 Beulah Road
Norwood SA 5067

SHARE REGISTER
Computershare Investor Securities Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000

LEGAL ADVISERS
O'Loughlins Lawyers
Level 2, 99 Frome Street
Adelaide SA 5000

BANKERS
National Australia Bank
22-28 King William Street
Adelaide SA 5000

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

Minotaur Exploration Limited
ACN: 108 483 601
ASX Code: MEP
www.minotaurexploration.com.au

Directors' Report

Your directors present their report on the Consolidated Group for the financial year ended 30 June 2021.

Director Details

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

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

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

Review of Operations

Corporate

The 2021 financial year concluded with the Group holding $5.1 million in cash and term deposits plus a minor equity holding in ASX listed explorer TMZ.

Minotaur's share of the Great White kaolin project reduced to 25% as a result of Andromeda Metals' earn-in expenditure culminating at $6 million in December 2020. Andromeda and Minotaur are now contributing funds, on a 75/25 proportional basis, to a definitive feasibility study into the Great White kaolin deposit (formerly known as the Poochera kaolin project). Andromeda expects the DFS to be finalised by the end of calendar 2021, following which the joint venture partners will consider advancing to a bankable feasibility study.

Exploration

Exploration activity centred on copper-gold prospects in Queensland.

A joint operation between Minotaur, OZ Minerals (OZL) and Sandfire Resources (tenement holder) was the primary focus of work in the Cloncurry district, funded by OZ Minerals. A series of ground EM surveys were completed, identifying basement exploration targets at Murphy's Tank and Garnet Creek. The work is ongoing.

For the Eloise JV (OZL 70%; MEP 30%) Minotaur carried out several ground EM surveys to locate basement conductive responses. Two anomalies were detected late in the reporting period and are to be followed up. No work was done on the Jericho project (OZL 80%; MEP 20%).

A new gold project, Pyramid, was acquired during the financial year. Pyramid is 180km south-west of Townsville and exhibits gold mineralisation at several discrete locations. Minotaur drill tested the Gettysberg prospect, confirming the attractive tenor of historic drill results. Ground IP mapping of this and nearby zones showed unresolved sulphide anomalism; to be investigated in the coming financial period.

The Windsor VMS tenement group south of Charters Towers is a technically challenging terrane due to extensive surficial cover over basement. A new technique will be trialed analysing copper isotopes in groundwater to detect the presence of basement mineralisation, against which ground geophysics might be correlated.

In South Australia, 750km north of Adelaide, Minotaur has been developing the case for a 'frontier' style exploration effort to locate new IOCG mineralisation, postulated within rock types akin to Ernest Henry in Queensland. The Peake and Denison project shows, through ground and aerial geophysics, several basement candidates - some of which will be drill tested to gain 'proof of concept'.

Directors' Report

Research & Development

Natural Nanotech Pty Ltd (NNT), a company equally owned by Minotaur and Andromeda Metals, was incorporated to pursue technology developments and commercial opportunities, initiating its first R&D project in July 2020 through the University of Newcastle. Two significant R&D projects are underway: 1) assessing halloysite as precursors for adsorbent nanomaterials and; 2) a pilot plant scale demonstration of CO_2 capture using functionalised halloysite.

NNT's business objective is to develop halloysite dependent intellectual property applicable to real world pollution and energy challenges, from which NNT may derive licensing and/or royalty revenues.

Business strategies and prospects

The Company remains focussed on base metals exploration, primarily copper, but has expanded its remit to include gold through purchase of the Pyramid tenement group. The minerals sector has benefitted from resurgent investor appetite for 'grass roots' exploration over the past year, often rewarded through notable discoveries or commodity price improvement. The imperative to search for new ore bodies intensifies as existing operations deplete their reserves while global demand grows. Minotaur considers its land position within Australia represents credible exposure to discovery success and reinforcement of the Company's position in the Cloncurry region is being actively assessed.

As the Great White project approaches delivery of the definitive feasibility study at year end the Company will evaluate the benefits of its ongoing position in the joint venture. Minotaur's 25% contribution to DFS expenses through FY2021 was $1 million. The Company acknowledges the work effort being expended by Andromeda Metals towards the DFS objective.

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, (Non-Executive Director)

Dr Belperio has an Honours Degree in Geology from the University of Adelaide, a PhD from James Cook University, and a diverse background in a wide variety of geological disciplines, including marine geology, environmental geology and mineral exploration. He has over 35 years' experience in university, government and the mineral exploration industry. Dr Belperio is also a 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 is an honorary life member, and 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 advised 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, (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 was a 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 $2,780,295 (2020: $3,119,741).

Directors' Report

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	3,077,036	3,200,000
Roger Higgins	3,464,159	4,000,000
George McKenzie	1,059,100	3,200,000
Andrew Woskett	1,640,000	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

On 3 September 2020 the Company issued 81,000,000 new ordinary shares through a Share Placement followed by an additional 42,313,650 new ordinary shares though a Share Purchase Plan on 28 September 2020.

On 20 August 2020 the Company announced it had entered into a binding Term Sheet to acquire 100% of a tenement package known as the Pyramid project, located approximately 180km south from

Directors' Report

Townsville in Northern Queensland. On 17 November 2020 the Company announced it had successfully completed the acquisition of the Pyramid project.

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

No matter or circumstance has arisen since 30 June 2021 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			
12/12/2018	31/12/2021	0.0525	1,450,000
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	1,900,000
03/03/2020	28/11/2022	0.1200	1,700,000
05/03/2021	31/01/2024	0.2000	12,000,000
			35,250,000

Shares issued as a result of exercise of options

During the year and up to the date of this report, the Company issued 7,296,123 ordinary shares as a result of the exercise of options (2020: 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 $14,209. 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

Directors' Report

improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

Remuneration report – Audited

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

Introduction

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

Dr Antonio Belperio *Non-Executive Director*
Dr Roger Higgins *Non-Executive Chairman*
Mr George McKenzie *Non-Executive Director*
Mr Andrew Woskett *Managing Director*
Mr Varis Lidums *Commercial Manager and Company Secretary*

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.

Directors' Report

Employment contracts

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

The employment conditions of the 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 as at 30 June 2021, is $215,000 per annum. The Company may terminate the employment contract without cause by providing one (1) month written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

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

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

* Dr Belperio also provides consulting services to the Group as and when required. The total amount paid to Dr Belperio, in addition to his director's fees detailed above, relating to consulting services for the year was $26,460. Consulting services are paid on an hourly basis and agreed with the Managing Director.

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 to 31 August 2020. Payment of Non-Executive directors' fees for the June 2020 quarter was deferred to October 2020.

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 9.5% as at 30 June 2021, 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 personnel are also entitled to participate in the Group's share option scheme. Options are valued using the Black-Scholes methodology.

Directors' Report

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 2021 and 30 June 2020

	Short Term Employee Benefits		**Post-Employment**	**Share-based payments**	**Totals**	**Performance Based Percentage of Remuneration**
	Salary & Fees (i)	Bonus	Superannuation	Options (ii)	$	%
Antonio Belperio*						
2021	43,500	-	-	-	43,500	-
2020	89,685	-	14,891	52,000	156,576	-
Roger Higgins						
2021	87,000	-	-	-	87,000	-
2020	85,500	-	-	65,000	150,500	-
George McKenzie						
2021	43,500	-	-	-	43,500	-
2020	42,750	-	-	52,000	94,750	-
Andrew Woskett						
2021	340,579	-	-	-	340,579	-
2020	339,259	-	-	126,800	466,059	-
Total						
2021	**514,579**	**-**	**-**	**-**	**514,579**	**-**
2020	**557,194**	**-**	**14,891**	**295,800**	**867,885**	**-**

* Dr Belperio also provides consulting services to the Group as and when required. The total amount paid to Dr Belperio, in addition to his director's fees detailed in Table 1 above, relating to consulting services for the year was $26,460. Consulting services are paid on an hourly basis and agreed with the Managing Director.

(i) As part of the Company's COVID-19 response measures, all directors and employees received a 20% reduction in remuneration from 1 April 2020 to 31 August 2020.

(ii) 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.

Directors' Report

Table 2: Remuneration of other key management personnel for the year ended 30 June 2021 and 30 June 2020

	Short Term Employee Benefits		**Post-Employment**	**Share-based payments**	**Totals**	**Performance Based Percentage of Remuneration**
	Salary & Fees (i)	Bonus	Superannuation	Options (ii)	$	%
Varis Lidums						
2021	183,094	4,566	17,828	138,460	343,948	-
2020	177,637	-	16,876	5,350	199,863	-
Total						
2021	**183,094**	**4,566**	**17,828**	**138,460**	**343,948**	**-**
2020	**177,637**	**-**	**16,876**	**5,350**	**199,863**	**-**

(i) As part of the Company's COVID-19 response measures, all directors and employees received a 20% reduction in remuneration from 1 April 2020 to 31 August 2020.

(ii) 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.

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

Other transactions with key management personnel

Throughout the year $57,854 (2020: $57,020) (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 to directors during the 2021 financial year.

During the 2021 financial year, key management personnel received a cash bonus at the discretion of the Board. All available bonuses to 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.

No options were granted to directors during the year.

Directors' Report

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
Other key management							
Varis Lidums	2,150,000	05/03/21	0.0644	138,460	2,150,000	0.20	31/01/24

Options held by key management personnel

The number of options to acquire shares in the Company held during the 2021 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 remunera-tion	Exercised	Balance at end of period	Expiry date	First exercise date
Directors – Unlisted options						
Antonio Belperio	3,200,000	-	-	3,200,000	28/11/22	29/11/19
Roger Higgins	4,000,000	-	-	4,000,000	28/11/22	29/11/19
George McKenzie	3,200,000	-	-	3,200,000	28/11/22	29/11/19
Andrew Woskett	7,800,000	-	-	7,800,000	28/11/22	29/11/19
Other key management – Unlisted options						
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
Varis Lidums	-	2,150,000	-	2,150,000	31/01/24	05/03/21

Shares held by key management personnel

The number of fully paid ordinary shares in the Company held during the 2021 reporting period by each of the key management personnel of the Group, including their related parties are set out below.

	Balance at 1 July 2020	Participation in Share Purchase Plan	Exercise of Options	Disposals	Balance 30 June 2021
Directors					
Antonio Belperio	2,477,036	600,000	-	-	3,077,036
Roger Higgins	2,864,159	600,000	-	-	3,464,159
George McKenzie	1,059,100	-	-	-	1,059,100
Andrew Woskett	1,040,000	600,000	-	-	1,640,000
Other key management					
Varis Lidums	-	-	109,412	(109,412)	-

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 2020 Annual General Meeting

Minotaur Exploration Ltd received more than 97% of "yes" votes on its remuneration report for the 2020 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:

	Directors' Meetings		Audit Committee	
Director	**Eligible**	**Attended**	**Eligible**	**Attended**
Antonio Belperio	7	7	-	-
Roger Higgins	7	7	2	2
George McKenzie	7	7	2	2
Andrew Woskett	7	7	-	-

Proceedings on behalf of the Group

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

Directors' Report

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 24 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 16 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the directors:

Roger Higgins
Chairman

Dated this 24th day of September 2021

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Auditor's Independence Declaration

To the Directors of Minotaur Exploration Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Minotaur Exploration Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 24 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021

	Note	Consolidated Group 30 June 2021 $	Consolidated Group 30 June 2020 $
Revenue	**4 (a)**	84,177	92,126
Other income	**4 (b)**	27,666	1,584,256
Impairment of exploration and evaluation assets	**4 (c)**	(11,780)	(3,050,565)
Project generation costs	**4 (c)**	(950,464)	(368,970)
Employee benefits expense	**4 (d)**	(1,339,537)	(835,873)
Depreciation expense	**4 (c)**	(258,799)	(236,631)
Finance costs	**14**	(29,655)	(36,150)
Other expenses	**4 (e)**	(757,049)	(801,545)
Loss before income tax expense		**(3,235,441)**	**(3,653,352)**
Income tax benefit	**5**	455,146	533,611
Loss for the year		**(2,780,295)**	**(3,119,741)**
Other comprehensive income (net of tax)			
Items that will not be subsequently reclassified to profit or loss			
Gain/(Loss) on equity instruments designated at fair value through other comprehensive income		1,072,480	(697,828)
Total comprehensive income for the year attributable to the members of the parent entity		**(1,707,815)**	**(3,817,569)**
Earnings per share			
Basic earnings per share (cents)	**6**	(0.59)	(0.88)
Diluted earnings per share (cents)	**6**	(0.59)	(0.88)

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

Consolidated Statement of Financial Position as at 30 June 2021

	Note	Consolidated Group 30 June 2021 $	Consolidated Group 30 June 2020 $
CURRENT ASSETS			
Cash and cash equivalents	7	5,089,698	2,420,189
Trade and other receivables	8	705,099	434,485
Other assets	9	75,589	137,875
		5,870,386	**2,992,549**
Held-for-sale assets	10	120,111	-
TOTAL CURRENT ASSETS		**5,990,497**	**2,992,549**
NON-CURRENT ASSETS			
Financial assets	11	302,350	901,655
Right-of-use assets	14	646,383	861,845
Property, plant and equipment	12	504,566	490,754
Exploration and evaluation assets	13	8,536,074	6,257,579
TOTAL NON-CURRENT ASSETS		**9,989,373**	**8,511,833**
TOTAL ASSETS		**15,979,870**	**11,504,382**
CURRENT LIABILITIES			
Trade and other payables	16	1,436,452	1,840,938
Lease liabilities	14	236,664	229,214
Borrowings	17	23,504	23,504
Provisions	18	344,420	368,830
TOTAL CURRENT LAIBILITIES		**2,041,040**	**2,462,486**
NON-CURRENT LIABILITIES			
Lease liabilities	14	455,832	662,841
Borrowings	17	1,245,547	1,246,797
Provisions	18	-	24,663
TOTAL NON-CURRENT LIABILITIES		**1,701,379**	**1,934,301**
TOTAL LIABILITIES		**3,742,419**	**4,396,787**
NET ASSETS		**12,237,451**	**7,107,595**
EQUITY			
Issued capital	19	55,917,752	49,684,911
Reserves	20	1,409,699	(200,193)
Accumulated losses	21	(45,090,000)	(42,377,123)
TOTAL EQUITY		**12,237,451**	**7,107,595**

Consolidated Statement of Changes in Equity for the year ended 30 June 2021

		Consolidated Group				
	Note	Issued Capital $	Share Option Reserve $	Other Components of Equity (Note 20) $	Accumulated Losses $	Total Equity $
Balance at 1 July 2020		**49,684,911**	**559,521**	**(759,714)**	**(42,377,123)**	**7,107,595**
Comprehensive income						
Total loss for the year		-	-	-	(2,780,295)	(2,780,295)
Other comprehensive income for the year		-	-	1,072,480	-	1,072,480
Total comprehensive income for the year		**-**	**-**	**1,072,480**	**(2,780,295)**	**(1,707,815)**
Transactions with owners, in their capacity as owners, and other transfers						
Issue of shares as part consideration for the acquisition of the Pyramid project	**19**	100,000	-	-	-	100,000
Issue of shares through Placement and Share Purchase Plan	**19**	6,165,683	-	-	-	6,165,683
Issue of shares from the exercise of share options		306,470	(167,970)	-	-	138,500
Transaction costs on shares issued		(339,312)	-	-	-	(339,312)
Issue of options employees		-	772,800	-	-	772,800
Transfers upon sale of equity instruments		**-**	**-**	(67,418)	67,418	**-**
		6,232,841	**604,830**	**(67,418)**	**67,418**	**6,837,671**
Balance at 30 June 2021		**55,917,752**	**1,164,351**	**245,348**	**(45,090,000)**	**12,237,451**

Consolidated Statement of Changes in Equity for the year ended 30 June 2021 (Continued)

		Consolidated Group				
	Note	Issued Capital $	Share Option Reserve $	Other Components of Equity (Note 20) $	Accumulated Losses $	Total Equity $
Balance at 1 July 2019		**48,166,080**	**1,147,705**	**(185,495)**	**(40,063,007)**	**9,065,283**
Comprehensive income						
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)**
Transactions with owners, in their capacity as owners, and other transfers						
Issue of shares as part consideration for the acquisition of the Windsor project	**19**	150,000	-	-	-	150,000
Issue of shares through Placement	**19**	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**

Consolidated Statement of Cash Flows
for the year ended 30 June 2021

		Consolidated Group	
	Note	30 June 2021 $	30 June 2020 $
Cash flows from operating activities			
Receipts from customers		84,177	92,126
Payments to suppliers and employees		(1,788,907)	(1,742,263)
Interest received		2,666	3,486
COVID-19 cash flow boost received		50,000	50,000
JobKeeper stimulus received		237,750	66,000
R&D tax incentive received		432,103	354,158
Net cash used in operating activities	**7**	**(982,211)**	**(1,176,493)**
Cash flows from investing activities			
Payments for property, plant and equipment		(52,627)	(8,952)
Proceeds from sale of property, plant and equipment		-	4,750
Purchase of equity instruments		(183,750)	-
Proceeds from sale of equity instruments less costs		1,870,939	357,033
Proceeds from sale of exploration assets		-	225,000
Acquisition of exploration assets		(260,000)	(150,000)
Option, exclusivity, extension and signing fees received		25,000	225,000
Joint Operation receipts		868,595	1,884,433
Payment for exploration activities		(4,585,741)	(4,553,205)
Net cash used in investing activities		**(2,317,584)**	**(2,015,941)**
Cash flows from financing activities			
Proceeds from issue of shares through share purchase plan and share placement		6,304,182	1,500,000
Payment of transaction costs for issue of shares		(333,631)	(131,169)
Proceeds from Jericho project loan carry arrangement		22,256	284,425
Repayment of borrowings		(23,503)	(26,439)
Net cash provided by financing activities		**5,969,304**	**1,626,817**
Net increase/(decrease) in cash and cash equivalents		**2,669,509**	**1,565,617**
Cash at the beginning of the year		**2,420,189**	**3,985,806**
Cash at the end of the year	**7**	**5,089,698**	**2,420,189**

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

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

Supplementary information about the parent entity, Minotaur Exploration Ltd, is disclosed in Note 2.

Note 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 2021 were approved and authorised for issue by the Board of Directors on 24 September 2021.

(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 26 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 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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

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.

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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

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 – 10 years
Motor vehicles	4 – 7 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, Evaluation 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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

(e) Leases

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 re-measurement 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.

(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.
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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

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.

(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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

(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.

(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).

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

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 2021 the Group recognised a loss of $2,780,295, had net cash outflows from operating and investing activities of $3,299,795, and had accumulated losses of $45,090,000 as at 30 June 2021. 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.

Notes to the Consolidated Financial Statements
for the year ended 30 June 2021

(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 $8,536,074 (2020: $6,257,579).

(iii) Research and development incentive

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

(v) Changes in Accounting Policies

New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 3: Definition of a Business

The amendment to AASB 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to AASB 7, AASB 9 and AASB 39 Interest Rate Benchmark Reform

The amendments to AASB 9 and AASB 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships

Amendments to AASB 1 and AASB 8 Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Amendments to AASB 16 COVID-19 Related Rent Concessions

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to AASB 16 Leases The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under AASB 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

(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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Note 2: Parent information	30 June 2021 $	30 June 2020 $
Assets		
Current assets	5,356,035	3,605,535
Non-current assets	9,895,118	7,699,411
	15,251,153	**11,304,946**
Liabilities		
Current liabilities	1,768,155	2,925,890
Non-current liabilities	1,245,547	1,271,461
	3,013,702	**4,197,351**
Equity		
Issued capital	55,917,754	49,684,911
Reserves – Share option	1,164,351	559,521
Accumulated losses	(44,844,654)	(43,136,837)
	12,237,451	**7,107,595**
Financial performance		
Loss for the year	(1,707,817)	(3,817,569)
Other comprehensive income	-	-
	(1,707,817)	**(3,817,569)**

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.

Note 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 focused on exploration activity, at this time that there are no separately identifiable segments. As such there is one segment being the Consolidated Group.

Notes to the Consolidated Financial Statements
for the year ended 30 June 2021

	Consolidated Group	
Note 4: Revenue and expenses	**30 June 2021 $**	**30 June 2020 $**
(a) Revenue		
Administration fees	48,833	80,366
Rent received	35,344	11,760
	84,177	**92,126**
Timing of revenue recognition		
Goods transferred at a point in time	84,177	92,126
Total revenue	**84,177**	**92,126**
(b) Other income		
Option, exclusivity, signing and extension fees received	25,000	225,000
Net gain on disposal of exploration assets	-	1,240,708
Bank interest received or receivable	2,666	3,486
COVID-19 cash flow boost received or receivable	-	100,000
Other income	-	15,062
	27,666	**1,584,256**
(c) Expenses		
Impairment of exploration and evaluation assets		
Impairment of exploration and evaluation assets	11,780	3,050,565
	11,780	**3,050,565**
Project generation costs		
Project generation costs	950,464	368,970
	950,464	**368,970**

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

	Consolidated Group	
	30 June 2021 $	30 June 2020 $
Depreciation expense		
Right-of-use assets	215,461	215,461
Buildings	7,937	7,937
Plant and equipment	27,258	10,518
Motor vehicles	8,143	2,715
	258,799	**236,631**

(d) Employee benefits expense

Wages, salaries, directors' fees and other remuneration expenses	1,582,323	1,709,802
Superannuation expense	118,905	119,292
Transfer from annual leave provision	(26,937)	(25,053)
Transfer from long service leave provision	(22,136)	(42,988)
Share options expense	772,800	341,051
Transfer to exploration assets	(1,085,418)	(1,266,231)
	1,339,537	**835,873**

(e) Other expenses

Professional and consultancy	285,817	213,232
Employee taxes and levies	2,559	61,735
Occupancy costs	45,823	47,225
Insurance costs	52,297	48,636
ASX/ASIC costs	56,892	46,615
Share register maintenance	40,485	44,176
Communication costs	5,453	7,340
Promotion and seminars	1,213	23,501
Other expenses	266,510	309,085
	757,049	**801,545**

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

	Consolidated Group	
	30 June 2021 $	**30 June 2020 $**
Note 5: Income tax benefit		
The major components of income tax benefit are:		
Statement of comprehensive income		
Current income tax		
Current income tax charge	-	-
Research and development tax incentive	(455,146)	(533,611)
Income tax benefit reported in the income statement	**(455,146)**	**(533,611)**

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:

	Consolidated Group	
	30 June 2021 $	**30 June 2020 $**
Accounting loss before income tax	(3,235,441)	(3,653,352)
At the Group's statutory income tax rate of 26% (2020: 27.5%)	(841,215)	(1,004,672)
Expenditure not allowable for income tax purposes	202,702	95,404
Revenue non-assessable for tax purposes	-	(27,500)
Research and development tax incentive	(455,146)	(533,611)
Tax losses not recognised due to not meeting recognition criteria	638,513	936,768
	(455,146)	**(533,611)**

The Group has tax losses arising in Australia of $91,944,313 (2020: $88,621,639) that are available indefinitely for offset against future taxable profits generated by the Group. In addition the Group has $6,356,016 (2020: $8,049,531) 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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Tax Consolidation

Minotaur Exploration Ltd and its 100% owned Australian resident subsidiaries have formed a tax Consolidated Group with effect from 5 February 2005.

Minotaur Exploration Ltd is the head entity of the tax Consolidated Group.

Note 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 2021	**30 June 2020**
Net loss attributable to ordinary equity holders of the parent	($2,780,295)	($3,119,741)
Weighted average number of ordinary shares for basic earnings per share	473,046,205	352,667,042

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 taking into account for 2021.

As no dilutive effect has been taken into account for 2021, 36,565,000 potential ordinary shares have not been included in the calculation.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Note 7: Cash and cash equivalents	Consolidated Group 30 June 2021 $	30 June 2020 $
Cash and cash equivalents		
Cash at bank and on hand	4,844,098	2,182,089
Short-term deposits	245,600	238,100
	5,089,698	**2,420,189**

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 $463,896 received in advance for joint operation related exploration expenditure. These amounts are not available for general use by the Group.

Included in short-term deposits is $245,600 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 2021 $	30 June 2020 $
Cash at bank and on hand	4,844,098	2,182,089
Short-term deposits	245,600	238,100
	5,089,698	**2,420,189**

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

	Consolidated Group	
	30 June 2021 $	30 June 2020 $
Reconciliation of net loss after tax to net cash flows from operations		
Net loss	(2,780,295)	(3,119,741)
Adjustments for non-cash items:		
Depreciation – Property, plant and equipment	43,338	21,170
Depreciation – Right-of-use assets	215,461	215,461
Impairment of non-current assets and project generation costs	962,244	3,419,535
Net gain on disposal of property, plant and equipment, equity investments and tenements	(25,000)	(1,480,770)
Share options expensed	772,800	341,051
Changes in assets and liabilities:		
Decrease in trade receivables	37,510	15,201
Increase in accrued R&D tax incentive	(23,043)	(179,453)
Decrease in prepayments	1,667	6,341
Decrease in trade and other payables	(137,821)	(347,244)
Decrease in employee provisions	(49,073)	(68,042)
Net cash used in operating activities	**(982,212)**	**(1,176,491)**

Note 8: Trade and other receivables

	30 June 2021 $	30 June 2020 $
Trade receivables	250,077	2,506
Accrued R&D tax incentive	455,022	431,979
	705,099	**434,485**

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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

	Consolidated Group	
Note 9: Other current assets	**30 June 2021 $**	**30 June 2020 $**
Prepayments	39,146	40,813
COVID cash flow boost receivable	-	50,000
Other	36,443	47,062
	75,589	**137,875**

Note 10: Held-for-sale assets		
Opening balance	-	635,222
Transfers from exploration assets (i)	120,111	-
Less: Disposal of subsidiaries (see note 23)	-	(616,306)
Less: Sale of tenements (ii)	-	(18,916)
	120,111	**-**

(i) On 15 December 2020 the Group announced that a binding Terms Sheet had been signed with private company Larvotto Resources Ltd by which Larvotto will acquire full ownership of the Highlands copper-gold prospective tenements, 50km north-east of Mt Isa, Queensland. Minotaur purchased the ground package in 2018 and carried out ground geophysical surveys and limited drilling. Minotaur now views the asset as being low priority and non-core

Larvotto intends to include Highlands in an initial public offer on ASX in the second half of 2021. Minotaur has granted Larvotto exclusivity through to end of December 2021 for two non-refundable payments of $25,000 and $15,000. Subject to the IPO proceeding by that date Larvotto will pay Minotaur $100,000 cash and issue new IPO shares to the value of $500,000, such shares being escrowed as ASX requires. A 1% NSR will attach to the tenements on transfer to Larvotto.

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 successfully completed the sale of Minotaur Gold Solutions Pty Ltd and Altia Resources Pty Ltd. Refer note 23.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Note 11: Financial assets	Consolidated Group 30 June 2021 $	30 June 2020 $
Equity instruments at fair value through OCI – shares in listed companies		
Opening balance	901,655	332,672
Equity consideration for the sale of Altia Resources Pty Ltd and Minotaur Gold Solutions Pty Ltd	-	1,650,000
Revaluations to fair value	1,072,480	(697,828)
Disposal of shares in listed companies	(1,855,535)	(383,189)
Acquisition of shares in listed companies	183,750	-
	302,350	**901,655**

Fair value measurement is considered at Note 29.

Note 12: Property, plant and equipment

30 June 2021	Land and buildings	Leasehold improvements	Plant and equipment	Kaolin Pilot Plant	Motor Vehicles	Total
Cost						
Opening balance	508,723	611,218	374,393	283,765	185,553	1,963,652
Additions	-	-	57,150	-	-	57,150
	508,723	**611,218**	**431,543**	**283,765**	**185,553**	**2,020,802**
Accumulated depreciation						
Opening balance	47,622	611,218	352,883	283,765	177,410	1,472,898
Depreciation for the year	7,937	-	27,258	-	8,143	43,338
	55,559	**-**	**380,141**	**-**	**185,553**	**1,516,236**
Net book value	**453,164**	**-**	**51,402**	**-**	**-**	**504,566**

Property is measured at historical cost less accumulated depreciation. Land and buildings with a net book value of $453,164 (2020: $461,101) is offered as security against a mortgage of $318,237.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

30 June 2020	Land and buildings	Leasehold improvements	Plant and equipment	Kaolin Pilot Plant	Motor Vehicles	Total
Cost						
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**
Accumulated depreciation						
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**

	Consolidated Group	
Note 13: Exploration and evaluation assets	**30 June 2021 $**	**30 June 2020 $**
Exploration, evaluation and development costs carried forward in respect of mining areas of interest		
Exploration and evaluation phase – Joint Operations	6,339,590	5,482,615
Exploration and evaluation phase – Other	2,196,484	774,964
	8,536,074	**6,257,579**

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Capitalised tenement expenditure movement reconciliation – Consolidated Group:

30 June 2021	Exploration Joint Operations $	Exploration Other $	Total $
Balance at beginning of year	5,482,615	774,964	6,257,579
Additions through expenditure capitalised	2,526,100	1,364,105	3,890,205
Additions through acquisition of tenements	-	250,000	250,000
Reductions through joint operation contributions	(1,512,800)	-	(1,512,800)
Reductions through government grants received	(155,231)	(61,788)	(217,019)
Transfers to Held-for-sale assets	-	(120,111)	(120,111)
Write-off of tenements relinquished	(1,094)	(10,686)	(11,780)
Balance at end of year	**6,339,590**	**2,196,484**	**8,536,074**

30 June 2020	Exploration Joint Operations $	Exploration Other $	Total $
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**

The impairment expense of $11,780 (2020: $3,050,565) 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

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 Group's 20% contribution to the

Notes to the Consolidated Financial Statements
for the year ended 30 June 2021

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 (refer to Note 17).

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.

The terms of the Heads of Agreement – Farm in and Joint Venture – Breena Plains project were amended on 28 July 2021 to account for impacts of COVID-19. The project required OZ Minerals Ltd, on behalf of the Alliance, to invest $0.85m in exploration to 14 September 2021. Thereafter the Alliance may earn a 51% interest in the project by sole funding a further $3.5 million within 3 years of the original Agreement date. 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 from 14 February 2020, the Alliance must invest $8.35 million.

Great White project
The Great White project is a joint operation between Andromeda Metals Ltd (ASX: ADN) owning 75% and the Group owning 25%. Ongoing expenditure, as required, is proportional to the JV parties interests.

Note 14: Right-of-use assets and lease liabilities

This note provides information about the Group's Right-of-use assets and Lease liabilities.

The Group has a lease for its principal place of business, expiring 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:

30 June 2021	**Right of use assets - Leases $**	**Lease liabilities $**
Opening balance	861,845	892,055
Depreciation expense	(215,462)	-
Interest expense (included in finance costs)	-	29,655
Payments	-	(229,214)
	646,383	**692,496**
Current	-	236,664
Non-current	646,383	455,832
	646,383	**692,496**

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

30 June 2020	Right of use assets - Leases $	Lease liabilities $
Opening balance	-	-
Additions	1,077,306	1,077,306
Depreciation expense	(215,461)	-
Interest expense (included in finance costs)	-	36,150
Payments	-	(221,401)
	861,845	**892,055**
Current	-	229,214
Non-current	861,845	662,841
	861,845	**892,055**

Note 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, may be issued to an employee's nominee.

Each option is to subscribe for one fully paid ordinary share in the Company. 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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

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:

	2021 Number	2021 WAEP	2020 Number	2020 WAEP
Outstanding at the beginning of the year	36,230,000	$0.10	15,135,000	$0.11
Granted during the year	12,000,000	$0.07	26,200,000	$0.08
Exercised during the year	(11,665,000)	-	-	-
Expired during the year	-	-	(5,105,000)	$0.06
Outstanding at the end of the year	**36,565,000**	**$0.14**	**36,230,000**	**$0.10**
Exercisable at the end of the year	**36,565,000**	**$0.14**	**36,230,000**	**$0.10**

The outstanding balance as at 30 June 2021 is represented by:

- A total of 1,315,000 options exercisable at any time until 6 September 2021 with an exercise price of $0.115.
- A total of 1,450,000 options exercisable at any time until 31 December 2021 with an exercise price of $0.0525.
- A total of 13,300,000 options exercisable at any time until 28 November 2022 with an exercise price of $0.10.
- A total of 8,500,000 options exercisable at any time until 28 November 2022 with an exercise price of $0.12.
- A total of 12,000,000 options exercisable at any time until 31 January 2024 with an exercise price of $0.20.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2021 is 1.72 years (2020: 2.14 years).

The range of exercise prices for options outstanding at the end of the year was $0.0525 - $0.20 (2020: $0.0525 - $0.12).

Share options issued to directors

No share options were issued to directors of the Company during the year.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Note 16: Trade and other payables	Consolidated Group 30 June 2021 $	30 June 2020 $
Trade payables (i)	381,545	114,699
Joint operation funding received in advance (ii)	463,896	1,500,530
Net GST and PAYG payable	7,361	356
Accrued expenses	35,000	66,894
Funds received from Andromeda Metals Ltd relating to Natural Nanotech Pty Ltd	537,258	150,000
Other payables (iii)	11,393	8,459
	1,436,453	**1,840,938**

i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
ii) 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.
iii) 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.

Note 17: Borrowings	Consolidated Group 30 June 2021 $	30 June 2020 $
Current		
Bank borrowings (i)	23,504	23,504
	23,504	**23,504**
Non-current		
Bank borrowings (i)	294,733	318,237
Jericho project loan carry arrangement (ii)	950,812	928,560
	1,245,545	**1,246,797**

(i) Bank borrowings reflect a secured interest and principal loan relating to the Group's property located in Cloncurry, Queensland. The loan is fully offset by unrestricted cash and 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 only repayable out of positive cash flow from production at Jericho.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Note 18: Provisions

	Consolidated Group 30 June 2021 $	Consolidated Group 30 June 2020 $
Current		
Annual leave provision	43,787	70,724
Long service leave provision	300,633	298,106
	344,420	**368,830**
Non-current		
Long service leave provision	-	24,663
	-	**24,663**

Note 19: Issued capital

	30 June 2021 $	30 June 2020 $
501,339,148 fully paid ordinary shares (2020: 370,085,045)	**55,917,752**	**48,166,080**

	2021 Number	2021 $	2020 Number	2020 $
Balance at beginning of financial year	370,085,045	49,684,911	334,396,917	48,166,080
Issue of shares as part consideration for the acquisition of the Pyramid project	644,330	100,000	-	-
Issue of shares as part consideration for the acquisition of the Windsor project	-	-	5,688,128	150,000
Issue of shares from the exercise of share options	7,296,123	306,470	-	-
Issue of shares through Placement and Share Purchase Plan	123,313,650	6,165,683	30,000,000	1,500,000
Transaction costs on shares issued	N/A	(339,312)	N/A	(131,169)
Balance at end of financial year	**501,339,148**	**55,917,752**	**370,085,045**	**49,684,911**

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

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Note 20: Reserves	Consolidated Group 30 June 2021 $	30 June 2020 $
Reserves		
Share option reserve (a)	1,164,351	559,521
FVOCI reserve (b)	245,348	(759,714)
	1,409,699	**(200,193)**
(a) Share option reserve		
Balance at beginning of financial year	559,521	1,147,705
Issue of options to employees and officers under employee share option plan	772,800	45,250
Issue of options to directors of the Company	-	295,800
Share options exercised during the year	(167,970)	-
Transfer to retained earnings upon lapse of options	-	(929,234)
Balance at end of financial year	**1,164,351**	**559,521**

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. 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	12,000,000	$0.20	31/1/2024

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

Share-based payments to employees issued under the Company's Employee Share Option Plan 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.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

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:

Share price at grant date:	$0.155
Expected volatility:	75.53%
Risk free rate:	0.14%
Fair value at grant date:	$0.064

	Consolidated Group	
	30 June 2021 $	**30 June 2020 $**
(b) FVOCI reserve		
Balance at beginning of financial year	(759,714)	(185,495)
Transfer to accumulated losses upon disposal of listed shares	(67,418)	123,609
Net revaluation (decrement)/increment	1,072,480	(697,828)
Balance at end of financial year	**245,348**	**(759,714)**

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

	Consolidated Group	
Note 21: Accumulated losses	**30 June 2021 $**	**30 June 2020 $**
Balance at beginning of financial year	(42,377,123)	(40,063,007)
Net loss attributable to members of the parent entity	(2,780,295)	(3,119,741)
Transfer from FVOCI reserve upon disposal of listed shares	67,418	(123,609)
Transfer from share option reserve – lapsed options	-	929,234
Balance at end of financial year	**(45,090,000)**	**(42,377,123)**

Notes to the Consolidated Financial Statements
for the year ended 30 June 2021

Note 22: Commitments for expenditure

Exploration licences

In order to maintain current rights of tenure to exploration tenements the Group will be required to outlay in the year ending 30 June 2021 amounts of approximately $3.38m in respect of exploration licence rentals and related items and to meet minimum expenditure requirements. It is expected that of the minimum expenditure requirement, $1.64m will be funded by the Group and $1.73m will be funded by JV partners. The net obligation to the Group is expected to be fulfilled in the normal course of operations.

Note 23: Disposal of subsidiaries

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

Details of the disposal are as follows:

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

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

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Note 24: Auditor's remuneration	Consolidated Group 30 June 2021 $	30 June 2020 $
Audit or review of the financial report	58,042	50,333
Taxation compliance	52,050	14,700
Total auditor's remuneration	**110,092**	**65,033**

Note 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 $255,000 at 30 June 2021 (2020: $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.

Note 26: Controlled entities

Name of entity	Country of incorporation	Ownership interest 2021 %	2020 %
Parent entity			
Minotaur Exploration Limited	Australia		
Subsidiaries			
Minotaur Gold Mines Pty Ltd (i)	Australia	100	-
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
Levuka Resources Pty Ltd	Australia	100	100
BMV Properties Pty Ltd (ii)	Australia	-	100
Natural Nanotech Pty Ltd	Australia	100	100

i) On 12 November 2020, Minotaur Gold Mines Pty Ltd was incorporated as a proprietary company limited by shares.

ii) On 30 June 2021, BMV Properties Pty Ltd was deregistered as a Company.

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Note 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 2021 **Financial assets**	**Note**	**Equity instruments at FV through OCI** **$**	**Cash** **$**	**Loans and Receivables** **$**	**Total** **$**
		(Carried at fair value)	*(Carried at amortised cost)*		
Cash and cash equivalents	**7**	-	5,089,698	-	5,089,698
Trade and other receivables	**8**	-	-	705,099	705,099
Equity instruments	**11, 29**	302,350	-	-	302,350
		302,350	**5,089,698**	**705,099**	**6,097,147**

Financial liabilities	**Note**	**Payables** **$**	**Borrowings** **$**	**Lease Liabilities** **$**	**Total** **$**
			(Carried at amortised cost)		
Trade and other payables	**16**	1,436,452	-	-	1,436,452
Lease liabilities	**14**	-	-	692,496	692,496
Current borrowings	**17, 27(a)**	-	23,504	-	23,504
Non-current borrowings	**17, 27(a)**	-	1,245,547	-	1,245,547
		1,436,452	**1,269,051**	**692,492**	**3,397,999**

30 June 2020 **Financial assets**	**Note**	**Equity instruments at FV through OCI** **$**	**Cash** **$**	**Loans and Receivables** **$**	**Total** **$**
		(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**

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Financial liabilities	Note	Payables $	Borrowings $	Lease Liabilities $	Total $
		(Carried at amortised cost)			
Trade and other payables	**16**	1,840,938	-	-	1,840,938
Lease Liabilities	**14**	-	-	892,055	892,055
Current borrowings	**17, 27(a)**	-	23,504	-	23,504
Non-current borrowings	**17, 27(a)**	-	1,246,797	-	1,246,797
		1,840,938	**1,270,301**	**892,055**	**4,003,294**

A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 28.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 29.

27(a) Borrowings

Borrowings include the financial liabilities:

	Current		Non-Current	
Financial liabilities	**2021**	**2020**	**2021**	**2020**
Carried at amortised cost				
Borrowings	23,503	23,503	1,245,547	1,246,797
	23,503	**23,503**	**1,245,547**	**1,246,797**

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 4.32% (2020: 4.52%). 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

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Note 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 19, 20, 21 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).

Consolidated

	Weighted average effective interest rate	**Less than 1 year**
	%	**$**
2021		
Variable interest rate	0.07	$5,089,698
2020		
Variable interest rate	0.11	$2,420,189

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 $18,775 which is mainly attributable to the Group's exposure to interest rates on its variable bank deposits.

Liquidity risk management

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

Liquidity and interest risk tables

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

Consolidated

	Weighted average effective interest rate	**Less than 1 year**	**Longer than 1 year and not longer than 5 years**	**Longer than 5 year**
	%	**$**	**$**	**$**
2021				
Interest bearing	4.32	23,503	94,012	200,722
Non-interest bearing	-	1,436,452	-	-
2020				
Interest bearing	4.52	23,503	94,012	224,225
Non-interest bearing	-	1,840,938	-	-

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 periodically at board meetings and making appropriate investment decisions.

Note 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

Notes to the Consolidated Financial Statements
for the year ended 30 June 2021

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 2021 and 30 June 2020:

30 June 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value				
Equity instruments designated at FVOCI				
Equity instruments	302,350	-	-	302,350
	302,350	**-**	**-**	**302,350**

30 June 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value				
Equity instruments designated at FVOCI				
Equity instruments	901,655	-	-	901,655
	901,655	**-**	**-**	**901,655**

There were no transfers between Level 1 and Level 2 in 2021 or 2020.

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.

Note 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, *Non-Executive Director*
Dr Roger Higgins, *Non-Executive Chairman*
Mr George McKenzie, *Non-Executive Director*
Mr Andrew Woskett, *Managing Director*

Other key management personnel

Mr Varis Lidums, *Commercial Manager and Company Secretary*

Key management personnel remuneration includes the following expenses:

	30 June 2021 $	30 June 2020 $
Salaries and fees including bonuses	702,239	734,831
Total short term employee benefits	**702,239**	**734,831**
Superannuation	17,828	31,767
Total post-employment benefits	**17,828**	**31,767**
Share based payments	138,460	301,150
Total share based payments	**138,460**	**301,150**
Total remuneration	**858,527**	**1,067,748**

Dr Belperio also provides consulting services to the Group as and when required. The total amount paid to Dr Belperio, in addition to his director's fees detailed above, relating to consulting services for the year was $26,460.

Transactions with associates

Throughout the year no transactions took place between Minotaur Exploration Limited and any associates (2020: $Nil). In addition, no amounts were owed by any associates at the end of the year (2020: $Nil).

Director and key management personnel related entities

Throughout the year $57,854 (2020: $57,020) (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 26. 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.

Note 31: Post-reporting date events

No matter or circumstance has arisen since 30 June 2021 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 18 to 61, 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 2021 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 24th day of September 2021

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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), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a Giving a true and fair view of the Company's financial position as at 30 June 2021 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 Company 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 (including Independence Standards)* (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.

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, 4 & 13	
As at 30 June 2021 the carrying value of exploration and evaluation assets was $8,536,074. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	Our procedures included, amongst others: • 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; – 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 Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the Company'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 Company 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: https://www.auasb.gov.au/auditors_responsibilites/ar2_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 2021.

In our opinion, the Remuneration Report of Minotaur Exploration Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 24 September 2021