

Appendix 4D for the Half Year Ended 31 December 2016

Mintails Limited ABN: 45 008 740 672

Your attention is drawn to the Incomplete Records and Events Subsequent to Period End sections of the Directors' Report.

The 31 December 2016 figures presented throughout this report may not be a true and fair reflection of Mintails Limited's financial position at 31 December 2016 or for the half year ended on that date, and may not be in compliance with the relevant accounting standards.

Whilst the 31 December 2016 figures are comparable to the figures for the corresponding reporting periods included in this report, the figures for the corresponding reporting periods may not be a true and fair reflection of Mintails Limited's financial position as at 30 June 2016 or for the half year ended 31 December 2015, and may not be in compliance with the relevant accounting standards.

1. Results for announcement to market

Current Reporting Period – half year ended 31 December 2016

Corresponding Reporting Period – half year ended 31 December 2015

This report is to be read in conjunction with the 30 June 2016 Annual Report and is given in compliance with Listing Rule 4.2A.

				\$
Revenues	down	100%	to	-
Loss after tax attributable to members	down	22%	to	1,137,621
Net loss of the period attributable to members	down	22%	to	1,137,621

2. Net Tangible Asset per Security

Net tangible Asset per Security (cents per security)

As at 31 December 2016	(0.04)
As at 31 December 2015	(0.037)

3. Details of entities over which control has been gained or lost during the period

None

4. Details of individual and total dividends

None

5. Details of dividend reinvestment plans in operation

None

6. Details of Associates and Joint Ventures

None

7. These accounts have been subject to review. While there is no dispute with the auditor, the auditor's opinion has been modified as a result of the matters discussed in the Incomplete Records and Events Subsequent to Period End sections of the Directors' Report. Please refer to the referenced sections of the Directors' Report and the Auditor's Opinion for further details.

Mintails Limited

ABN: 45 008 740 672

Appendix 4D Interim Financial Report

For the Half Year Ended 31 December 2016
(previous corresponding period : half year ended 31 December 2015)

To be read in conjunction with the 30 June 2016 Annual Report
In compliance with Listing Rule 4.2A

Your attention is drawn to the Incomplete Records and Events Subsequent to Period End sections of the Directors' Report.

The 31 December 2016 figures presented throughout this report may not be a true and fair reflection of Mintails Limited's financial position at 31 December 2016 or for the half year ended on that date, and may not be in compliance with the relevant accounting standards.

Whilst the 31 December 2016 figures are comparable to the figures for the corresponding reporting periods included in this report, the figures for the corresponding reporting periods may not be a true and fair reflection of Mintails Limited's financial position as at 30 June 2016 or for the half year ended 31 December 2015, and may not be in compliance with the relevant accounting standards.

Directors' Report

Your directors present their report on the consolidated entity consisting of Mintails Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2016.

The following persons were directors of the Mintails Limited during the whole of the half-year and up to the date of this report:

Stephen Brockhurst	Director (appointed 19 June 2017)
Steve Formica	Director (appointed 19 June 2017)
Daryl Henthorn	Director (appointed 19 June 2017)
Mark Brune	Executive Chairman (resigned 19 June 2017)
Murray Rose	Non-Executive Director (resigned 19 June 2017)
Laurence Blumberg	Non-Executive Director (resigned 19 June 2017)
Howard Carr	Non-Executive Director (resigned 19 June 2017)

Incomplete Records

The Company's South African subsidiaries were placed into business rescue in October 2015, with the business rescue practitioners assuming operational and management control of the South African subsidiaries from their date of appointment.

On 7 January 2016 the Board of Directors resolved to place the Company into voluntary administration and appointed James Thackray as voluntary administrator of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

This financial report has been prepared by Company management who were not in office for the periods presented in this report, nor were they parties involved with the Company and did not have oversight or control over the Group's financial reporting systems including but not limited to being able to obtain access to complete accounting records of the Company.

To prepare the financial report the Directors have reconstructed the financial records of the Group using management account information provided by the administrator and data extracted from the Group's accounting system. There may be information that the current management have not been able to obtain, the impact of which may or may not be material on the accounts.

These financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the business rescue and administration processes and the change in directorships and key management personnel.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*, nor is it possible to state this financial report gives a true and fair view of the Group's financial position as at the reporting period.

Events Subsequent to Period End

On 9 December 2016, the Company announced that at a meeting of creditors held on 6 December 2016, the creditors resolved that the Company execute a deed of company arrangement ("DOCA") and that Mr James Thackray be appointed as administrator of the deed of company arrangement ("Deed Administrator"). The DOCA embodied a proposal by CPS Capital Group Pty Ltd ("CPS") for the recapitalisation of the Company ("Recapitalisation Proposal").

A recapitalisation proposal typically involves an injection of new cash into a company that is either in financial distress or has been placed into voluntary administration. In the ordinary course, the entity will retain some or all of its assets and seek reinstatement to trading following completion of the recapitalisation.

The Recapitalisation Proposal was amended in June 2017.

A summary of the material terms of the Recapitalisation Proposal as contained in the executed amended DOCA is set out below.

1. The Company and the Deed Administrator will establish the Creditors' Trust, with the Deed Administrator acting as trustee.
2. The assets of the Company will be transferred into the Creditors' Trust.
3. The Company will consolidate its existing shares on a one (1) for one hundred thirty (130) basis. For the avoidance of doubt, the Company will have 2,068,422 fully paid ordinary shares and no other securities on issue post consolidation.
4. The Administrator shall make such changes or appointments to the Company's board of directors as CPS requests from time to time.
5. CPS or nominees of CPS will provide \$550,000 towards the Creditors of the Company and funding of the costs of the Administrator, by way of payment into a Creditors' Trust ("Creditor Payment") of which the Administrator will be the trustee. The \$550,000 is to be repaid to CPS or nominees in cash or converted to shares on a post-consolidation basis at a deemed price of \$0.02 per share. The Creditor Payment is to be paid as follows:
 - a. \$40,000 non-refundable deposit within 5 days of the Administrator formally nominating CPS as the preferred bidder for the Company;
 - b. \$40,000 within 5 days if the creditors of the Company approving the Proposal at the second creditors' meeting to be held on or about 30 September 2016;
 - c. \$470,000 within 2 Business Days of the First Amendment Date of 31 May 2017, or such later date as the Deed Administrator may approve in writing.
6. CPS may vary the proposed capital structure and the structure of the Capital Raisings (including the Share consolidation and the terms of the Capital Raisings) at the discretion of CPS or its nominees, subject to necessary regulatory and/or Mintails shareholder approvals first being obtained (if required).

Conditions precedent for the completion of the DOCA include:

1. The existing share structure of the Company, including unlisted options (if any) that are not cancelled, shall be subject to a 130:1 consolidation prior to issuing the securities under this Proposal.
2. All liabilities between the Company and each of its creditors as at settlement of the Proposal must be mutually released and compromised as between those parties under the DOCA.
3. The secured creditors, if any, agree to release all security over the Company and its subsidiaries.
4. All subsidiaries being excised from the Company.
5. The cancellation of all options on issue.
6. Seager Rex Harbour, each Paige Creditor, and each Associated Entity that is Controlled by Seager Rex Harbour or a Paige Creditor that, in each case, owns shares in the Company, making an intention statement to the Company and CPS that it intends to vote the Company Shares it holds at the time of the Company Shareholders' Meeting in favour of the Company Shareholders' Resolutions, subject to the Completion Conditions being satisfied or waived in accordance with the DOCA and a majority of the Company's directors at the time making a recommendation (and not varying or withdrawing that recommendation) to the Company Shareholders to vote in favour of the Company Shareholders' Resolutions.
7. The Company obtaining all necessary shareholder and regulatory approvals and consents in relation to any aspect of the Proposal as may be required by the constitution, the Corporations Act, the Australian Securities and Investments Commission, the ASX or the ASX Listing Rules.

The creditors' payment was received by 1 June 2017. As of 2 June 2017 all key conditions precedent had been satisfied and the Deed of Company Arrangement was effectuated. As of 6 June 2017 control of the Company was passed from the Administrator to CPS. The new Board of Directors was appointed on 19 June 2017. The Company is in the process of being recapitalised, which will involve an acquisition, capital raising, share consolidation, re-compliance with Chapters 1 and 2 of the ASX Listing Rules, and subsequently an ASX relisting.

Operating and Financial Review

The Company was in the business of mining gold in South Africa through its South African subsidiaries until these subsidiaries were placed into business rescue in October 2015.

On 7 January 2016 the Board of Directors resolved to place the Company into voluntary administration and appointed James Thackray as voluntary administrator of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

The Company was under the control of the administrators for the entirety of the half year ended 31 December 2016.

The consolidated loss for the half year ended 31 December 2016 was \$1,137,621 (31 December 2015: loss of \$1,448,411).

Signed in accordance with a resolution of directors.



Mr Steve Brockhurst,

Director

At Perth, Western Australia on 22 August 2017

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QUALIFIED INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MINTAILS LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mintails Limited (Subject to deed of Company Arrangement) which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Mintails Limited's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Mintails Limited (Subject to deed of Company Arrangement), ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

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

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Basis for Disclaimer of Auditor's Review Conclusion

As detailed in the Directors' Report and in Note 1: *Incomplete Records*, the Company's South African subsidiaries were placed into business rescue on 16 October 2015 with the business rescue practitioners assuming operational and management control of the South African subsidiaries from their date of appointment. The Company was placed into voluntary administration on 7 January 2016. Because of these events, the preparers of this report have not been able to source all books and records of the Company Whilst the books and records of the company have otherwise been reconstructed to the maximum extent possible, we were unable to obtain sufficient appropriate evidence to verify the amounts disclosed in the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date. As a result, we were unable to determine whether any adjustments to these amounts were necessary.

As stated in Note 1 and in the Directors' Declaration, the Directors are unable to state that the financial report is in accordance with all the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

Disclaimer of Auditor's Review Conclusion

Based on our review, which is not an audit, and because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Review Conclusion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, a conclusion as to whether the financial report of Mintails Limited (Subject to deed of Company Arrangement) is in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter – Material Uncertainty Regarding Going Concern

We draw attention to Note 1 – Going Concern in the financial report. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.



Neil Pace
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 23rd day of August 2017

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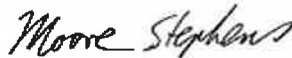
AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF MINTAILS LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

As lead auditor for the review of Mintails Limited (subject to Deed of Company Arrangement) for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



Neil Pace
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 23rd day of August 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016	31 December 2015
		\$	\$
Revenue and other income	2	-	60
Professional fees		-	(125,000)
Directors' fees		-	(188,375)
Foreign currency gains/(losses)		158,113	(58,035)
Other expenses		(66,406)	(262,244)
Finance costs		(1,029,328)	(814,817)
Administration expenses		(200,000)	-
Profit/(loss) before tax		(1,137,621)	(1,448,411)
Income tax (expense)/benefit		-	-
Profit/(loss) for the period attributable to owners of the parent		(1,137,621)	(1,448,411)
Other comprehensive income:			
Other comprehensive income/(expense) for the period, net of tax		-	-
Total comprehensive income/(expense) for the period attributable to owners of the parent		(1,137,621)	(1,448,411)
Basic and diluted earnings per share (cents per share)		(0.42)	(0.54)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016	30 June 2016
		\$	\$
ASSETS			
<i>Current assets</i>			
Trade and other receivables		4,022	4,022
Other current assets – prepaid expenses		13,750	-
Cash and cash equivalents		54,379	54,534
Total current assets		72,151	58,556
Total assets		72,151	58,556
EQUITY AND LIABILITIES			
Issued capital	5	280,506,000	280,506,000
Accumulated losses		(291,682,407)	(290,544,786)
Total deficit		(11,176,407)	(10,038,786)
<i>Current liabilities</i>			
Trade and other payables		1,187,052	1,004,428
Borrowings	4	10,061,506	9,092,914
Total current liabilities		11,248,558	10,097,342
Total liabilities		11,248,558	10,097,342
Total equity and liabilities		72,151	58,556

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016

	Share Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2015	280,506,000	(288,957,886)	(8,451,886)
Loss for the period attributable to members of the parent entity	-	(1,448,411)	(1,448,411)
Other comprehensive income/(loss) for the period	-	-	-
Total comprehensive expense for the period	-	(1,448,411)	(1,448,411)
Transactions with owners in their capacity as owners	-	-	-
Balance at 31 December 2015	280,506,000	(290,406,297)	(9,900,297)

Balance at 1 July 2016	280,506,000	(290,544,786)	(10,038,786)
Loss for the period attributable to members of the parent entity	-	(1,137,621)	(1,137,621)
Other comprehensive income/(loss) for the period	-	-	-
Total comprehensive expense for the period	-	(1,137,621)	(1,137,621)
Transactions with owners in their capacity as owners	-	-	-
Balance at 31 December 2016	280,506,000	(291,682,407)	(11,176,407)

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 \$	31 December 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(80,155)	(42,641)
Interest received		-	60
Other		-	52,700
Net cash provided by/(used in) operating activities		(80,155)	10,119
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		80,000	60
Net cash provided by financing activities		80,000	-
Net (decrease)/increase in cash held		(155)	10,119
Cash and cash equivalents at beginning of financial period		54,534	46,031
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at end of financial period		54,379	56,150

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This general purpose financial report for the interim half year reporting period ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This half year report does not include full disclosures of the type normally included in an Annual Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as an Annual Report.

Accordingly, this financial report should be read in conjunction with the 2016 Annual Report for the year ended 30 June 2016 and any public announcements made by Mintails during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with the most recent Annual Report for the year ended 30 June 2016 and corresponding interim reporting period. There were no new standards issued since 30 June 2016 that have been applied by the Group.

Incomplete Records

The Company's South African subsidiaries were placed into business rescue in October 2015, with the business rescue practitioners assuming operational and management control of the South African subsidiaries from their date of appointment.

On 7 January 2016 the Board of Directors resolved to place the Company into voluntary administration and appointed James Thackray as voluntary administrator of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

This financial report has been prepared by Company management who were not in office for the periods presented in this report, nor were they parties involved with the Company and did not have oversight or control over the Group's financial reporting systems including but not limited to being able to obtain access to complete accounting records of the Company.

To prepare the financial report the Directors have reconstructed the financial records of the Group using management account information provided by the administrator and data extracted from the Group's accounting system. There may be information that the current management have not been able to obtain, the impact of which may or may not be material on the accounts.

These financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the business rescue and administration processes and/or the change in directorships and key management personnel.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*, nor is it possible to state this financial report gives a true and fair view of the Group's financial position as at the reporting period.

Going Concern

The Group incurred a loss of \$1,137,621 for the half year ended 31 December 2016. In addition, the Group had a net current assets of \$72,151 as at 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors believe it is appropriate to prepare these accounts on a going concern basis because under the DOCA effectuated on 2 June 2017 the Company has extinguished or all liabilities associated with the previous administration of the Company. The Company is in the process of being recapitalised, which will involve an acquisition, capital raising, share consolidation, re-compliance with Chapters 1 and 2 of the ASX Listing Rules, and subsequently an ASX relisting. .

Should the Group not achieve a recapitalisation and successful ASX re-listing, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

Significant Accounting Estimates and Assumptions

In applying the Company's accounting policies, management continually evaluates estimates and assumptions based on experience and other factors, including expectation of future events that may have an impact on the Group as a whole. All estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the estimates and assumptions. Significant estimates and assumptions made by management in the preparation of these financial statements are outlined in the Incomplete Records section above.

New and revised accounting requirements

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

NOTE 2: REVENUE AND OTHER INCOME

		31 December 2016	31 December 2015
	Note	\$	\$
Operating activities:			
- Interest received – other parties		-	60
Total operating revenue		-	60
Total revenue		-	60

NOTE 3: SEGMENT INFORMATION

As the Company was under the control of the administrator for the entirety of the half year ended 31 December 2016, the administrator is considered to be the chief operating decision maker for this period. The financial information presented to the chief operating decision maker is consistent with that presented in the statement of profit or loss and other comprehensive income, statement of financial position, and statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

NOTE 4: BORROWINGS

	31 December 2016 \$	30 June 2016 \$
<i>Unsecured</i>		
Loan payable to Paige Ltd	9,981,506	9,092,914
Convertible loans	80,000	-
	10,061,506	9,092,914

Convertible loans

During the period ended 31 December 2016 a total of \$80,000 was loaned to the Company by CPS Capital and/or its nominees. The \$80,000 is to be repaid to CPS or nominees or in cash or converted to shares on a post-consolidation basis at a deemed price of \$0.02 per share.

Loan payable to Paige Ltd

Working capital funding was provided to the Company by Paige Ltd, a company associated with the Company's majority shareholder, in previous reporting periods. The loan facility has been provided to the Company as four separate loans, the details of which are as follows:

Facility	Facility Balance at Reporting Date \$	Currency	Effective Interest Rate
Loan 1	1,587,328	GBP	20%
Loan 2	2,963,346	GBP	24%
Loan 3	1,571,559	AUD	22%
Loan 4	3,859,273	USD	25%
	9,981,506		

All facilities are unsecured with no set date of repayment. Foreign currency gains of \$158,113 and finance charges of \$1,029,328 were recognised for the half year ended 31 December 2016 in relation to these loans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

NOTE 5: ISSUED CAPITAL

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
Ordinary shares (a.)	265,665,000	265,665,000
Options over ordinary shares (b.)	14,841,000	14,841,000
	280,506,000	280,506,000

During the half year ended 31 December 2014 the following movements in equity occurred:

	No.	\$
a. Ordinary Shares		
Balance at 1 July 2016	268,894,893	265,665,000
Changes during the period	-	-
Balance at 31 December 2016	268,894,893	265,665,000
b. Options over ordinary shares		
Balance at 1 July 2016	6,800,000	14,841,000
Changes during the period	-	-
Balance at 31 December 2016	6,800,000	14,841,000

NOTE 6: FAIR VALUES

The fair value of financial assets and financial liabilities of the Company approximate their carrying amount.

NOTE 7: DIVIDENDS

No dividends have been declared for the period ended 31 December 2016.

NOTE 8: CONTINGENT ASSETS & LIABILITIES

Following effectuation of the DOCA on 19 June 2017 all liabilities, contingent liabilities, obligations, warranties and long-term commitments of the Company were released.

Apart from the above, there are no contingent liabilities as at 31 December 2016 and no contingent liabilities were incurred in the interval between balance date and the date of this financial report.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

On 9 December 2016, the Company announced that at a meeting of creditors held on 6 December 2016, the creditors resolved that the Company execute a deed of company arrangement ("DOCA") and that Mr James Thackray be appointed as administrator of the deed of company arrangement ("Deed Administrator"). The DOCA embodied a proposal by CPS Capital Group Pty Ltd ("CPS") for the recapitalisation of the Company ("Recapitalisation Proposal").

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE (CONT)

A recapitalisation proposal typically involves an injection of new cash into a company that is either in financial distress or has been placed into voluntary administration. In the ordinary course, the entity will retain some or all of its assets and seek reinstatement to trading following completion of the recapitalisation.

The Recapitalisation Proposal was amended in June 2017.

A summary of the material terms of the Recapitalisation Proposal as contained in the executed amended DOCA is set out below.

1. The Company and the Deed Administrator will establish the Creditors' Trust, with the Deed Administrator acting as trustee. The assets of the Company will be transferred into the Creditors' Trust.
2. The Company will consolidate its existing shares on a one (1) for one hundred thirty (130) basis. For the avoidance of doubt, the Company will have 2,068,422 fully paid ordinary shares and no other securities on issue post consolidation.
3. The Administrator shall make such changes or appointments to the Company's board of directors as CPS requests from time to time.
4. CPS or nominees of CPS will provide \$550,000 towards the Creditors of the Company and funding of the costs of the Administrator, by way of payment into a Creditors' Trust ("Creditor Payment") of which the Administrator will be the trustee. The \$550,000 is to be repaid to CPS or nominees in cash or converted to shares on a post-consolidation basis at a deemed price of \$0.02 per share. The Creditor Payment is to be paid as follows:
 - a. \$40,000 non-refundable deposit within 5 days of the Administrator formally nominating CPS as the preferred bidder for the Company;
 - b. \$40,000 within 5 days if the creditors of the Company approving the Proposal at the second creditors' meeting to be held on or about 30 September 2016;
 - c. \$470,000 within 2 Business Days of the First Amendment Date of 31 May 2017, or such later date as the Deed Administrator may approve in writing
5. CPS may vary the proposed capital structure and the structure of the Capital Raisings (including the Share consolidation and the terms of the Capital Raisings) at the discretion of CPS or its nominees, subject to necessary regulatory and/or Mintails shareholder approvals first being obtained (if required).

Conditions precedent for the completion of the DOCA include:

1. The existing share structure of the Company, including unlisted options (if any) that are not cancelled, shall be subject to a 130:1 consolidation prior to issuing the securities under this Proposal.
2. All liabilities between the Company and each of its creditors as at settlement of the Proposal must be mutually released and compromised as between those parties under the DOCA.
3. The secured creditors, if any, agree to release all security over the Company and its subsidiaries.
4. All subsidiaries being excised from the Company.
5. The cancellation of all options on issue.
6. Seager Rex Harbour, each Paige Creditor, and each Associated Entity that is Controlled by Seager Rex Harbour or a Paige Creditor that, in each case, owns shares in the Company, making an intention statement to the Company and CPS that it intends to vote the Company Shares it holds at the time of the Company Shareholders' Meeting in favour of the Company Shareholders' Resolutions, subject to the Completion Conditions being satisfied or waived in accordance with the DOCA and a majority of the Company's directors at the time making a recommendation (and not varying or withdrawing that recommendation) to the Company Shareholders to vote in favour of the Company Shareholders' Resolutions.
7. The Company obtaining all necessary shareholder and regulatory approvals and consents in relation to any aspect of the Proposal as may be required by the constitution, the Corporations Act, the Australian Securities and Investments Commission, the ASX or the ASX Listing Rules.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE (CONT)

The creditors' payment was received by 1 June 2017. As of 2 June 2017 all key conditions precedent had been satisfied and the Deed of Company Arrangement was effectuated. As of 6 June 2017 control of the Company was passed from the Administrator to CPS. The new Board of Directors was appointed on 19 June 2017. The Company is in the process of being recapitalised, which will involve an acquisition, capital raising, share consolidation, re-compliance with Chapters 1 and 2 of the ASX Listing Rules, and subsequently an ASX relisting.

Directors' Declaration

In the opinion of the Directors of Mintails Limited ("the Company"):

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. Comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional requirements; and
 - b. Give a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half year ended on that date;
2. Subject to the matters highlighted in Note 1, 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.



Mr Steve Brockhurst

Director

Perth WA

22 August 2017