

# Appendix 4D for the Half Year Ended 31 December 2017

## Mintails Limited ABN: 45 008 740 672

### 1. Company details

Current Reporting Period – half year ended 31 December 2017

Corresponding Previous Reporting Period – half year ended 31 December 2016

This report is to be read in conjunction with the 30 June 2017 Annual Report and is given in compliance with Listing Rule 4.2A.

### 2. Results for announcement to the market

				\$
2.1 Revenues	no movement			-
2.2 Loss after tax attributable to members	down	82%	to	205,360
2.3 Net loss of the period attributable to members	down	82%	to	205,360
2.4 Dividends	N/A			
2.5 Record date for dividend entitlements	N/A			
2.6 Explanation of any figures in 2.1 to 2.4 necessary to enable understanding	Decrease in loss attributable to members mainly due to interest and finance charges incurred on borrowings prior to DOCA effectuation of \$1,029,328 being incurred in the half year ended 31 December 2016. No such costs were incurred in the half year ended 31 December 2017.			

### 3. Net tangible assets per security

Net tangible Asset per Security (cents per security)

As at 31 December 2017	(0.40)
As at 31 December 2016	(0.04)

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

N/A

**5. Details of individual and total dividends**

N/A

**6. Details of dividend reinvestment plans in operation**

N/A

**7. Details of associates and joint ventures**

N/A

**8. Foreign entities**

N/A

**9. These accounts have been subject to review.**

# Mintails Limited

ABN: 45 008 740 672

## Appendix 4D Interim Financial Report

**For the Half Year Ended 31 December 2017**  
(previous corresponding period : half year ended 31 December 2016)

To be read in conjunction with the 30 June 2017 Annual Report  
In compliance with Listing Rule 4.2A

# Directors' Report

The 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 2017.

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
Steve Formica	Director
Daryl Henthorn	Director

## Significant Changes in the State of Affairs

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. On 6 June 2017, the Deed of Company Arrangement was effectuated, and control of the Company passed from the administrator to the new Board of Directors. 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 consolidated loss for the half year ended 31 December 2017 was \$205,360 (31 December 2016: \$1,137,621).

## Incomplete Records - Comparatives

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. On 6 June 2017, the Deed of Company Arrangement was effectuated, and control of the Company passed from the administrator to the new Board of Directors. 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.

The 31 December 2016 comparatives included in these financial statements do not contain all of the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the administration processes and / or the change in directorships and key management personnel.

### Events Subsequent to Period End

On 23 January 2018, the Company raised \$200,000 via a placement comprising \$97,154 from unrelated parties of the Company through the issue of 4,857,712 fully paid ordinary shares at \$0.02 per share and \$102,846 as unsecured, interest free loan funds from related parties which are to be converted into 5,142,288 fully paid ordinary shares at a conversion price of \$0.02 per share subject to shareholder approval. The Company has agreed, subject to shareholder approval, to issue one unlisted options exercisable at \$0.03 within 3 years of issue date for every share subscribed under the placement.

On 25 January 2018, the Company announced that it had entered into conditional agreements to acquire two Western Australian gold projects through the acquisition of Orminex West Pty Ltd, the holder of an option to acquire 51% of the Comet Vale gold project, and Golden Lode Pty Ltd, the holder of 100% of the Golden Lode gold project. In consideration, the Company has agreed to issue 200,000,000 fully paid ordinary shares in the Company to vendors of Orminex West Pty Ltd and 20,000,000 fully paid ordinary shares in the Company to vendors of Golden Lode Pty Ltd.

Completion of the acquisition is subject to the satisfaction or waiver of several conditions precedent including shareholder and regulatory approval and the completion of a re-compliance capital raising of \$7,000,000 at an issue price of \$0.03 per share. For further detail refer to ASX announcement titled 'Proposed Acquisition of WA Gold Projects & Re-Listing on ASX' lodged with the ASX on 25 January 2018.

There were no other significant events subsequent to the half-year to the date of this report.

Signed in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'S Brockhurst', with a stylized horizontal line extending to the right.

Mr Steve Brockhurst,

Director

At Perth, Western Australia on 14 February 2018

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MINTAILS LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mintails Limited which comprises the statement of financial position as at 31 December 2017, 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 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 2017 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 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*.

## **Basis for Disclaimer of Auditor's Review Conclusion in respect of comparative financial information**

As detailed in the Directors' Report and in Note 1: *Incomplete Records - Comparatives*, the accounting records of Mintails Limited for the comparative period ended 31 December 2016 were incomplete and therefore we were unable to obtain sufficient appropriate evidence to verify the amounts disclosed in the comparative statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended 31 December 2016.

## **Conclusion**

Based on our review, which is not an audit, and other than as noted above, we have not become aware of any matter that makes us believe that the half-year financial report of Mintails Limited is not 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 2017 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. If the Company was unable to continue as a going concern then it 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 14th day of February 2018

# MOORE STEPHENS

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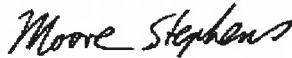
## AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF MINTAILS LIMITED

As lead auditor for the review of Mintails Limited for the half-year ended 31 December 2017, 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 14th day of February 2018



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	31 December 2017 \$	31 December 2016 \$
Professional fees	2	(147,779)	(5,134)
Foreign currency gains		-	158,113
Other expenses		(57,581)	(61,272)
Administration expenses		-	(200,000)
Loss before interest & tax		(205,360)	(108,293)
Finance costs	2	-	(1,029,328)
Loss before tax		(205,360)	(1,137,621)
Income tax expense		-	-
<b>Loss for the period attributable to members of Mintails Limited</b>		<b>(205,360)</b>	<b>(1,137,621)</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period attributable to members of Mintails Limited</b>		<b>(205,360)</b>	<b>(1,137,621)</b>
Basic and diluted earnings per share (cents per share)		(9.92)	(0.42)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017

	Note	31 December 2017	30 June 2017
		\$	\$
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents		25,271	400,043
Trade and other receivables		27,030	-
Total current assets		52,301	400,043
<b>Total assets</b>		<b>52,301</b>	<b>400,043</b>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Trade and other payables		106,887	50,000
Payable to creditors' trust		-	400,043
Borrowings	4	780,000	579,226
Total current liabilities		886,887	1,029,269
<b>Total liabilities</b>		<b>886,887</b>	<b>1,029,269</b>
<b>Net liabilities</b>		<b>(834,586)</b>	<b>(629,226)</b>
<b>EQUITY AND LIABILITIES</b>			
Issued capital	5	280,506,000	280,506,000
Accumulated losses		(281,340,586)	(281,135,226)
<b>Total deficit</b>		<b>(834,586)</b>	<b>(629,226)</b>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2017

	Share Capital	Accumulated Losses	Total
	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>280,506,000</b>	<b>(290,544,786)</b>	<b>(10,038,786)</b>
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	-	-	-
<b>Balance at 31 December 2016</b>	<b>280,506,000</b>	<b>(291,682,407)</b>	<b>(11,176,407)</b>

<b>Balance at 1 July 2017</b>	<b>280,506,000</b>	<b>(281,135,226)</b>	<b>(629,226)</b>
Loss for the period attributable to members of the parent entity	-	(205,360)	(205,360)
Other comprehensive income/(loss) for the period	-	-	-
Total comprehensive expense for the period	-	(205,360)	(205,360)
Transactions with owners in their capacity as owners	-	-	-
<b>Balance at 31 December 2017</b>	<b>280,506,000</b>	<b>(281,340,586)</b>	<b>(834,586)</b>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	31 December 2017 \$	31 December 2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(175,503)	(80,155)
<b>Net cash used in operating activities</b>		<b>(175,503)</b>	<b>(80,155)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	4	200,774	80,000
Transfer to creditor's trust		(400,043)	-
<b>Net cash (used in) / provided by financing activities</b>		<b>(199,269)</b>	<b>80,000</b>
Net decrease in cash held		(374,772)	(155)
Cash and cash equivalents at beginning of financial period		400,043	54,534
<b>Cash and cash equivalents at end of financial period</b>		<b>25,271</b>	<b>54,379</b>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

**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 2017 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 2017 Annual Report for the year ended 30 June 2017 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 2017 and corresponding interim reporting period. There were no new standards issued since 30 June 2017 that have been applied by the Group.

**Incomplete Records - Comparatives**

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. On 6 June 2017, the Deed of Company Arrangement was effectuated, and control of the Company passed from the administrator to the new Board of Directors. 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.

The 31 December 2016 comparatives included in these financial statements do not contain all of the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the administration processes and / or the change in directorships and key management personnel.

**Going Concern**

The Group incurred a loss of \$205,360 for the half year ended 31 December 2017. In addition, the Group had a net current liabilities of \$834,586 as at 31 December 2017.

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 6 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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 2017 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

**NOTE 2: LOSS FOR THE PERIOD**

The following expense items have been included in arriving at the loss for the period:

	<b>31 December 2017 \$</b>	<b>31 December 2016 \$</b>
<b>a) Finance costs</b>		
Interest & finance charges incurred on borrowing prior to DOCA effectuation	-	(1,029,328)
<b>b) Professional fees</b>		
Accountancy & audit costs	(36,439)	-
Legal fees	(96,645)	(5,134)
Other	(14,695)	-
<b>Total</b>	<b>(147,779)</b>	<b>(5,134)</b>

**NOTE 3: SEGMENT INFORMATION**

The Company has identified its operating segment based on internal reports that are reviewed by the Board and management. The Company has one operating segment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

**NOTE 4: BORROWINGS**

	31 December 2017 \$	30 June 2017 \$
<i>Unsecured</i>		
Convertible loans	730,000	579,226
Loan payable to Director	50,000	-
	<b>780,000</b>	<b>579,226</b>

Convertible loans

During the period ended 31 December 2017, a total of \$150,774 was loaned to the Company by various sophisticated investors. The convertible notes have a face value of \$1.00, have an interest rate of 12% per annum and are convertible into fully paid ordinary shares in the Company at the Company's election at a conversion price of \$0.02 per share as approved at the Company's annual general meeting held on 20 December 2017.

Loan payable to Director

During the period, working capital funding was provided to the Company by Director Daryl Henthorn. The loan of \$50,000 is unsecured with no set date of repayment. This transaction has been entered into on normal commercial terms.

**NOTE 5: ISSUED CAPITAL**

	31 December 2017 \$	30 June 2017 \$
Ordinary shares (note 5a)	265,665,000	265,665,000
Options over ordinary shares (note 5b)	14,841,000	14,841,000
	<b>280,506,000</b>	<b>280,506,000</b>

During the half year ended 31 December 2017 the following movements in equity occurred:

	No.	\$
<b>a. Ordinary Shares</b>		
Balance at 1 July 2017	268,894,893	265,665,000
Consolidation of capital <sup>1</sup>	(266,825,635)	-
<b>Balance at 31 December 2017</b>	<b>2,069,258</b>	<b>265,665,000</b>
<b>b. Options over ordinary shares</b>		
Balance at 1 July 2017	6,800,000	14,841,000
Expiry of unexercised options on 21 December 2017	(3,200,000)	-
Consolidation of capital <sup>1</sup>	(3,572,302)	-
<b>Balance at 31 December 2017</b>	<b>27,698</b>	<b>14,841,000</b>

<sup>1</sup> Approval was received at the Company's annual general meeting held on 20 December 2017 to proceed with the consolidation of all fully paid ordinary shares and options on issue in the Company on a 1 for 130 basis. The capital consolidation was completed with a record date of 27 December 2017.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

**NOTE 6: RELATED PARTY TRANSACTIONS**

During the period, working capital funding was provided to the Company by Director Daryl Henthorn. The loan of \$50,000 is unsecured with no set date of repayment. This transaction has been entered into on normal commercial terms.

There were no other transactions with related parties during the period.

**NOTE 7: FAIR VALUES**

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

**NOTE 8: DIVIDENDS**

No dividends have been declared for the period ended 31 December 2017.

**NOTE 9: CONTINGENT ASSETS & LIABILITIES**

Following effectuation of the DOCA on 6 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 2017 and no contingent liabilities were incurred in the interval between balance date and the date of this financial report.

**NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE**

On 23 January 2018, the Company raised \$200,000 via a placement comprising \$97,154 from unrelated parties of the Company through the issue of 4,857,712 fully paid ordinary shares at \$0.02 per share and \$102,846 as unsecured, interest free loan funds from related parties which are to be converted into 5,142,288 fully paid ordinary shares at a conversion price of \$0.02 per share subject to shareholder approval. The Company has agreed, subject to shareholder approval, to issue one unlisted options exercisable at \$0.03 within 3 years of issue date for every share subscribed under the placement.

On 25 January 2018, the Company announced that it had entered into conditional agreements to acquire two Western Australian gold projects through the acquisition of Orminex West Pty Ltd, the holder of an option to acquire 51% of the Comet Vale gold project, and Golden Lode Pty Ltd, the holder of 100% of the Golden Lode gold project. In consideration, the Company has agreed to issue 200,000,000 fully paid ordinary shares in the Company to vendors of Orminex West Pty Ltd and 20,000,000 fully paid ordinary shares in the Company to vendors of Golden Lode Pty Ltd.

Completion of the acquisition is subject to satisfaction or waiver of several conditions precedent including shareholder and regulatory approval and the completion of a re-compliance capital raising of \$7,000,000 at an issue price of \$0.03 per share. For further detail refer to ASX announcement titled 'Proposed Acquisition of WA Gold Projects & Re-Listing on ASX' lodged with the ASX on 25 January 2018.

There were no other significant events subsequent to the half-year to the date of this report.



# 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 2017 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.

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

Mr Steve Brockhurst

Director

Perth WA

14 February 2017