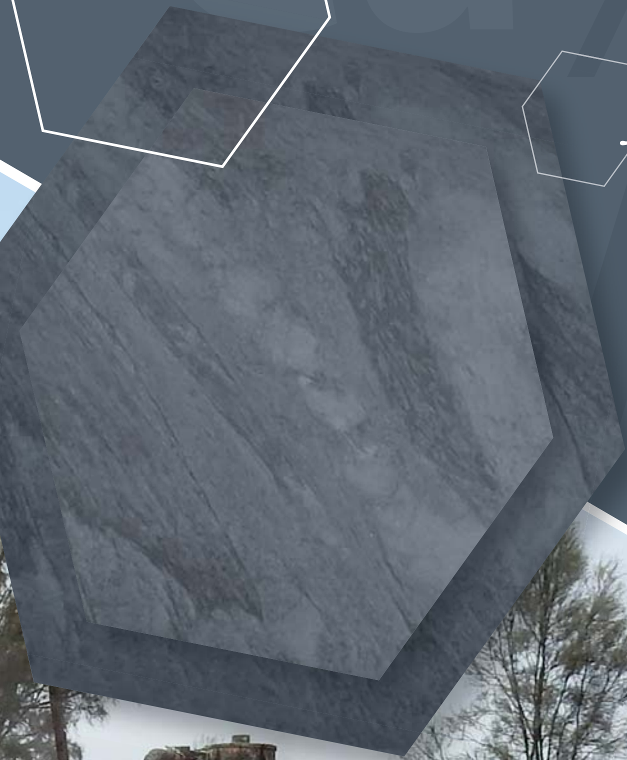
MINOTAUR
EXPLORATION

Annual

REPORT | 2016



MINOTAUR
EXPLORATION

CONTENTS

This annual report covers both Minotaur Exploration Ltd (ABN 35 108 483 601) as an individual entity and the consolidated group ('Group') comprising Minotaur Exploration Ltd and its subsidiaries. The Group's functional and presentation currency is Australian dollars.

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' Report on *pages 8 to 9*. The Directors' Report is not part of the financial report.

CORPORATE DIRECTORY

MINOTAUR EXPLORATION LIMITED
ACN 108 483 601
ASX CODE MEP

DIRECTORS
Mr Derek Carter *Chairman*
Mr Andrew Woskett *Managing Director*
Dr Antonio Belperio *Executive Director*
Mr Richard Bonython *Non-Executive Director (resigned 25 November 2015)*
Dr Roger Higgins *Non-Executive Director (appointed 1 July 2016)*

COMPANY SECRETARY
Mr Varis Lidums *(appointed 1 July 2016)*
Mr Donald Stephens *(resigned 1 July 2016)*

REGISTERED OFFICE
c/o HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
DULWICH SA 5065

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 ADVISORS
O'Loughlins Lawyers
Level 2, 99 Frome Street
ADELAIDE SA 5000

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

AUDITORS
Grant Thornton Audit Pty Ltd
Level 1, 67 Greenhill Road
WAYVILLE SA 5034

www.minotaurexploration.com.au

Chairman's REVIEW

We enter the new financial year with optimism founded on promising outcomes from upcoming drill programs around Cloncurry (Qld) and the Prominent Hill mine (SA), in association with our joint venture partners. Minotaur continues to apply its policy of sharing risk at the exploration level through joint venture models, engaging again with JOGMEC (at Cloncurry) and, in both locations, with OZ Minerals Ltd. We are gratified that both groups chose to contribute funds into Minotaur generated and managed copper-gold exploration opportunities.

Grassroots base metals exploration is an inherently high risk venture delivering a scarcity of new, economic grade discoveries and yet remains compelling as existing resources are rapidly depleted and mine grades diminish, pushing operators towards the higher end of the production cost curve.

Minotaur Exploration maintains that Australia's geology will reveal, buried under cover and essentially 'blind' to surface inspection, viable copper and other base metal deposits and so we continue the search. Our geophysical and geological techniques, tested and honed over the past twenty years, will inevitably deliver. That expectation is supported by our joint venture partners.

The past year has seen some fundamental changes to the share register with the departure of Norilsk Nickel Australia and the arrival of Sprott Asset Management at pole position. Sprott now holds 13% of the shares on issue and we appreciate their strong interest in our progress. Newmont Mining Australia also exited, as part of its rationalization of domestic assets. These changes were accompanied by a pleasing improvement in daily liquidity and solidification of the Top 10 holders.

As we pass two decades as a functioning group it is timely to consider Board renewal and rejuvenation. Our long-standing non-executive director Mr Richard Bonython, retired at the 2015 Annual General Meeting. Richard has been intimately involved in the Company's affairs and a consistent supporter of its capital raisings over those years. He remains our 8th largest shareholder. Mr Donald Stephens retired from his role of Company Secretary on 30 June 2016, drawing close to his twenty years of support to the Board. Donald's perspective on financial matters and the listed company environment has been of immense value to Minotaur.

We welcomed Dr Roger Higgins to the Board on 1 July 2016. Roger's career in the mining sector is without peer and he brings international and domestic expertise across multiple commodities. The Board has endorsed Roger's ascension to the Chair, which I intend to vacate at the forthcoming Annual General Meeting to be held on Thursday 17 November 2016.

I am firmly confident of Minotaur's future, both in terms of its discovery prospects and its governance. The group consistently operates at a level far exceeding its enterprise value and, while not necessarily reflected in its share price the past year, has enormous potential to out-perform its peers upon a new discovery.

Finally, I would like to thank current and past Directors, staff and, of course, shareholders for a more than memorable journey over 21 years. I wish the Company great success in the future and look forward to positive results from our ongoing exploration programs.

Derek Carter *Chairman*

Managing Director's REPORT

Business Review

2016 may be seen as a watershed year for Minotaur in that we were able to engage with OZ Minerals Ltd (ASX: OZL) in two strategic deals; the Eloise joint venture (Cloncurry, Qld) and the Prominent Hill alliance (SA). OZ Minerals is the Company's 3rd largest shareholder, having joined the Register originally (then as Oxiana) through acquisition of the Prominent Hill project in 2004. Both arrangements, discussed below, have potential to positively propel Minotaur's profile and value.

Our enduring relationship with the Japan Oil, Gas and Metals National Corporation (JOGMEC) continues to strengthen as we mutually terminated the long-term Cloncurry JV and enacted the Osborne JV. JOGMEC's exploration perseverance and sustained investment into Minotaur's projects demonstrates its confidence in the potential of the geology around Cloncurry to reveal new base metal mineralisation. As this report goes to print several encouraging geophysical targets have been outlined and drilling is imminent on the 'Yeti' prospect, a very large 3mgal gravity anomaly, indicative of a possible IOCG system.

OZ Minerals initially engaged with Minotaur at the project level through the Eloise joint venture, implemented in April 2016, committing OZ Minerals to invest $1.5 million into the tenements through calendar 2016. Should OZ Minerals decide to continue on with the joint venture it may earn up to 70% interest through aggregate expenditure of $10 million over 6 years. Minotaur is manager and operator of the project and has delivered a number of new and encouraging geophysical targets suggestive of either Eloise or Artemis style copper-gold mineralisation. Drilling is underway and results will cause OZ Minerals to consider its continuing involvement.

Subsequently, OZ Minerals invited Minotaur to research its Prominent Hill exploration database for evidence of previously unrecognised copper prospectivity. An alliance agreement was structured such that joint field assessment of new, Minotaur generated targets could lead to Minotaur gaining 20% to 30% interest in any promising discovery. Minotaur and OZ Minerals have initiated a combined $3 million campaign immediately north of the Prominent Hill mine testing four such targets, each located through ground geophysics and on which diamond drilling is underway. Should any exploratory drillhole intersect promising geology an accelerated exploration campaign could eventuate, seeking to identify a satellite orebody within 10–30 km of the current mining operation.

Andrew Burtt (Senior Geologist) pegging resource drill holes at Chameleon Gold Deposit, WA.

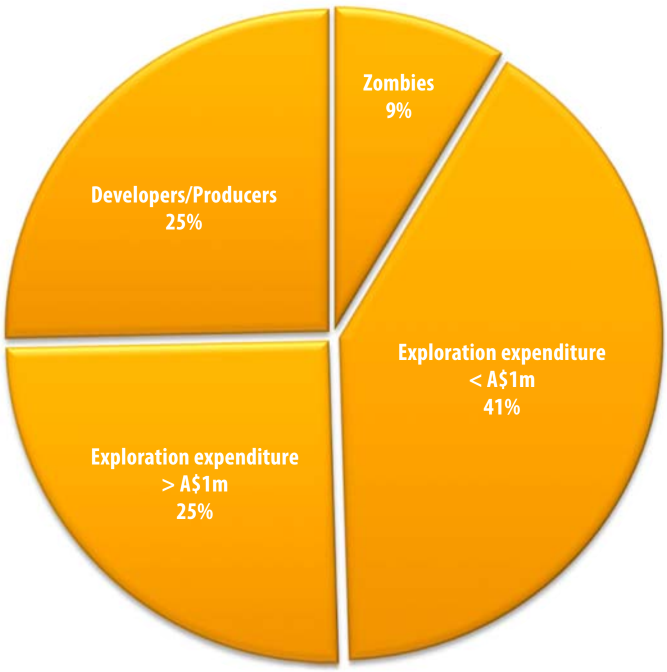
Corporate Review

Exploration entities typically write-off some part of their past exploration investment each reporting season. Minotaur similarly reviews and impairs its exploration expenditure incurred through the financial year on a case-by-case basis, with the 2016 write-down amounting to $11.4 million (2015FY $4.8 million). Group capitalised exploration expenditure for the financial year was $3.1 million (2015FY $4.1 million) whereas total exploration expenditure (including joint venture contributions of $2.05 million) was steady at $5.2 million (2015FY $5.2 million). These figures show that Minotaur's joint venture based business model enabled the Company to leverage its work funding by 68%, thereby broadening its scope and sphere of activity.

That advantage helped keep Minotaur in the top 25% of explorers; those with exploration expenditure over $1 million in 2016FY.

This can also be expressed as Minotaur's exploration expenditure of $5.2 million being 7.5 times the 'junior miner' sector's[1] 2016FY median of $0.7 million. That places Minotaur in the top 10%, by number, for exploration expenditure.

Minotaur held $4.5 million in cash and term deposits at the end of June 2016 (2015FY $4.2 million). Joint venture funded projects aid recovery of overheads, such that net administration costs of $0.7 million amounted to 14% of exploration expenses (2015FY $0.9 million or 17.5%), preserving a significant point of difference for the Company against many of its peers where overheads tend to represent a disproportionate contrast to operating costs. Indeed, the sector's 2016FY average level of gross administration expense as a percentage of exploration expense was 103% – meaning that, on average, the sector spent slightly more on administration than it did on exploration.



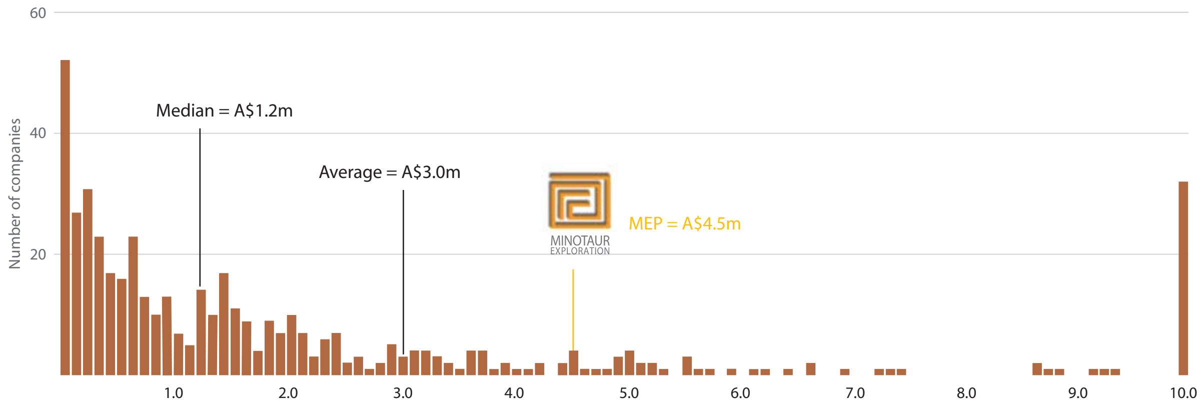
FY2016 'junior miner' exploration expenditure (A$M). 'Zombies' refers to junior miners with nil or negligible expenditure on exploration or development, Source: IRESS, App 5B

1 *Junior miners* – an aggregation of 509 ASX-listed GCIS metals and mining companies having market capitalisation of less than $100 million as at 30 June 2016, Source: IRESS, Appendix 5Bs

Minotaur maintains a diverse array of minerals exploration tenements around Australia, totalling 16,520 km², including Joint Venture areas.

Andrew Burtt (Senior Geologist) and Anna Ogilvie (Geologist) logging RC chips at Chameleon Gold Deposit, WA.

Portrayed another way, the graphic below locates Minotaur's cash position relative to the collation of ASX listed junior miners. Minotaur holds a comparatively favourable position compared to the bulk of those companies where 225 (or 44%) had a cash of less than $1 million at the close of the financial year.



Junior miners' cash balance distribution at 30 June 2016, Source: IRESS, App5B

Competent Person's Statement

Information in this section that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr A. P. Belperio, who is a full-time employee of the Company and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr Belperio has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 (JORC Code). Dr Belperio consents to inclusion in this document of the information in the form and context in which it appears.

Andrew Woskett *Managing Director*

Directors' REPORT

Your Directors present their report on the consolidated Group for the financial year ended 30 June 2016.

Director Details

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

Mr Derek Carter *Chairman*

Mr Andrew Woskett *Managing Director*

Dr Antonio Belperio *Executive Director*

Mr Richard Bonython *Non-Executive Director (resigned 25 November 2015)*

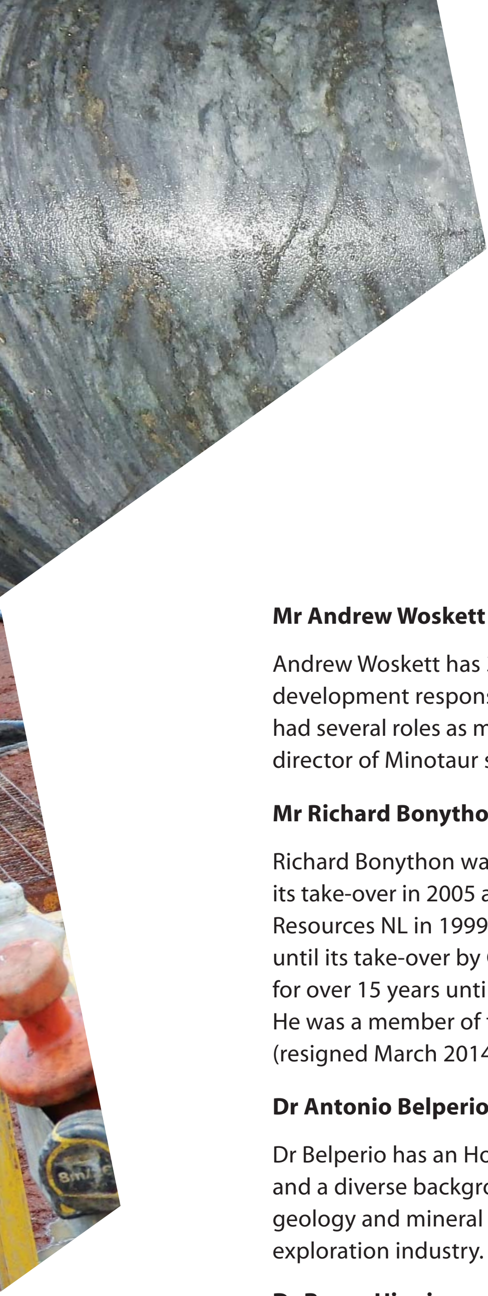
Dr Roger Higgins *Non-Executive Director (appointed 1 July 2016)*

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

Names, qualifications, experience and special responsibilities

Mr Derek Carter BSc, MSc, FAusIMM (CP) *(Chairman)*

Derek Carter has over 40 years experience in exploration and mining geology and management. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold Ltd in 1993. He is currently Chairman of Minotaur Exploration Ltd and Highfield Resources Ltd and a former Chairman of Petratherm Ltd (resigned March 2014). He is a former board member of Intrepid Mines Ltd (resigned November 2015), Mithril Resources Ltd (resigned December 2014) and Toro Energy Ltd (resigned November 2012), all ASX listed companies. Mr Carter is a former President of the South Australian Chamber of Mines and Energy, former board member of the Australian Gold Council, is a member of the Minerals and Energy Advisory Council and the South Australian Minerals and Petroleum Experts Group, and a former Chairman of the Minerals Exploration Advisory Group. He was awarded AMEC's Prospector of the Year Award (jointly) in 2003 and is a Centenary Medallist. 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 Andrew Woskett B Eng, M Comm Law *(Managing Director)*

Andrew Woskett has 35 years project and corporate experience in the mining industry. He held senior development responsibility 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 Richard Bonython B Ag Sc *(Non-Executive Director – resigned 25 November 2016)*

Richard Bonython was a director of Minotaur Gold Ltd for seven years until 2001, and of Minotaur Resources until its take-over in 2005 at which time he became a director of Minotaur Exploration. He retired as Chairman of Diamin Resources NL in 1999 having been a director of that company for 15 years, and was chair of Hindmarsh Resources until its take-over by Canadian company Mega Uranium. He was executive director of Pioneer Property Group Ltd for over 15 years until 1991 and has experience of over 45 years in the building, rural and mineral industries. He was a member of the audit committee until his resignation and is also a former director of Petratherm Ltd (resigned March 2014) and Mithril Resources Ltd (resigned December 2014), both ASX Listed companies.

Dr Antonio Belperio BSc (Hons), PhD, FAusIMM *(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 35 years of experience in university, government and the mineral exploration industry. Dr Belperio is also a Director of Thomson Resources Ltd, a public company listed on the ASX.

Dr Roger Higgins BE (Hons), MSc, PhD, FIEAust, FAusIMM *(Non-Executive Director)*

Dr Higgins brings extensive experience leading mining companies and operations and is a current director of Newcrest Mining Ltd and Metminco Ltd, and a former director of 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. In his most recent executive position, Dr Higgins served as Senior Vice President, Copper at Canadian metals and mining company, Teck Resources Limited. Prior to this role he was Vice President and Chief Operating Officer with BHP Billiton Base Metals Customer Sector Group working in Australia and also held senior positions with BHP Billiton in Chile. He holds the position of Adjunct Professor with the Sustainable Minerals Institute, University of Queensland.

Varis Lidums BEc, LLB, CA, MBA *(Company Secretary – appointed 1 July 2016)*

Mr Lidums is a Chartered Accountant and qualified lawyer with over 20 years experience in the resources, energy and accounting industries. He has held senior roles with BP, Shell and ConocoPhillips and has been the Commercial Manager at Minotaur Exploration Ltd since 1 March 2011.

Donald Stephens BAcc, FCA *(Company Secretary – resigned 1 July 2016)*

Mr Stephens is a Chartered Accountant and corporate adviser with over 30 years experience in the accounting industry, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He is a Director of Mithril Resources Ltd, Petratherm Ltd and Lawson Gold Ltd, and was formerly a Director of Papyrus Australia Ltd (resigned August 2015), Reproductive Health Science Ltd (resigned August 2015) and Crest Minerals Ltd (resigned February 2016). He is additionally Company Secretary to Highfield Resources Ltd, Mithril Resources Ltd and various other public companies. He holds other directorships with private companies and provides corporate advisory services to a wide range of organisations.

Review of Operations

Corporate

At the close of the 2016 financial year the Company held $4.47 million in cash and term deposits. A placement and entitlement offer in late 2015 injected $1.6 million cash and accompanied the introduction of Sprott Asset Management to the register. Sprott succeeded Norilsk Nickel Australia as the Company's primary shareholder and, as a consequence, Sprott now holds 13.1% of the issued shares.

OZ Minerals Ltd (ASX: OZL), Minotaur's third ranking shareholder, joined our exploration effort near Cloncurry, Queensland. OZ Minerals agreed to invest $1.5 million through calendar 2016, towards discovery of Cannington-style base metals occurrences and copper-gold potential through the Eloise Joint Venture, in which OZ Minerals may earn up to 70% interest through expenditure of $10 million.

Minotaur was invited, by OZ Minerals, to research its exploration database for its tenements around the Prominent Hill copper-gold mine in South Australia. The output of that work resulted in OZ Minerals and Minotaur agreeing to jointly assess four geophysical targets, all within 30km of the mine and under less than 150m of cover. The field component will take place through the 2017 financial year.

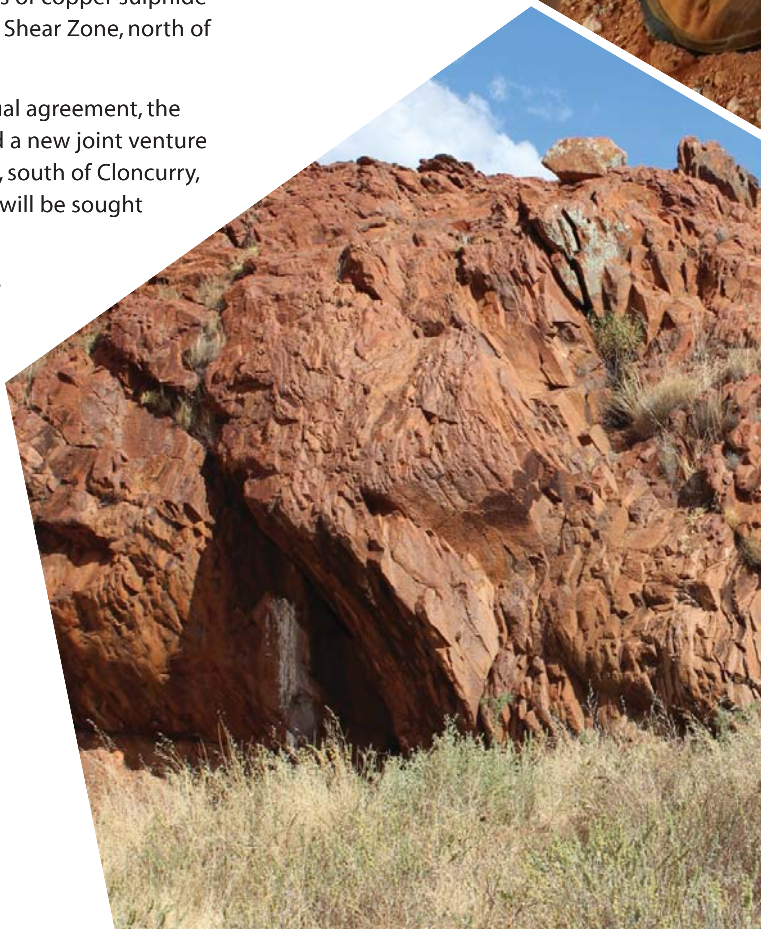
Exploration

Exploration activity remained focused on copper-gold targets in Queensland and South Australia, and on nickel-gold prospective tenements in Western Australia.

The new joint venture with OZ Minerals across the Eloise area tenements led to several programs of ground-based EM surveys and two discrete IP surveys. Drill testing of anomalies generated from the geophysics did not help to resolve the source of the Olympus anomaly and, in the case of Bullwinkle, revealed low levels of copper sulphide mineralisation. Other EM surveys are continuing along the Levuka Shear Zone, north of the Eloise mine.

The Cloncurry joint venture with JOGMEC was terminated by mutual agreement, the tenements returning to full Minotaur interest. Both parties created a new joint venture over Minotaur's tenements surrounding the Osborne copper mine, south of Cloncurry, where both Cannington-style and sulphide hosted copper targets will be sought through new ground EM surveys.

Minotaur participated in the South Australian Department of State Development (DSD) Minerals Systems Drilling Program 2015 (MSDP). That program involved substantial research and development trials, on Minotaur tenements, by DSD in conjunction with the Deep Exploration Technology Cooperative Research Centre (DET CRC), with technical input from Minotaur.



Glen Little (Exploration Manager) inspecting costeans at Javelin Gold Prospect, WA.

A gold deposit near Kalgoorlie, named Chameleon, identified and drilled by previous operators, was revisited. Minotaur's recent data re-compilation, interpretation and wire frame modelling suggested that the deposit could be more robust than previously understood. Minotaur undertook a reverse circulation drilling program for 1300m to test its hypothesis. Gold intersections confirmed the central zone of mineralisation is coherent and the improved data density contributed to estimation of a maiden JORC 2012 mineral resource for the deposit.

Likely developments, business strategies and prospects

Minotaur holds to discovery as its prime objective and the opportunity to convert economic grade deposits into mineable propositions.

Minotaur maintains focus on its copper-gold prospects around Cloncurry and has a positive outlook on the unfolding work around Prominent Hill in collaboration with tenement holder OZ Minerals.

Latent value resides throughout the Company's co-owned ground in the Western Australia goldfields, as evidenced by attractive gold assays returned from the Chameleon deposit. The Company continues to hold a number of industrial mineral assets, undertaking limited R&D pending improvements in market conditions aiding divestment of these.

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 full-time employee 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.

Operating results

The consolidated loss of the Group after providing for income tax amounted to $11,750,383 (2015: $6,515,921).

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 the shares and options of Minotaur Exploration Ltd were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
Derek Carter	2,450,441	222,768
Antonio Belperio	1,537,750	225,000
Roger Higgins	-	-
Andrew Woskett	205,000	-

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.

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

No 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 2016 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future.

Unissued Shares under Option

The following unlisted and listed options to acquire ordinary shares in the Company were on issue:

Issue Date	Expiry Date	Exercise Price	Balance at 1 July 2015	Net Issued/(Exercised or Expired) during the Year	Balance at 30 June 2016
Unlisted					
10/05/2010	30/08/2015	$0.40	1,000,000	(1,000,000)	-
10/05/2010	27/02/2016	$0.55	1,000,000	(1,000,000)	-
30/09/2011	29/09/2016	$0.21	1,045,000	-	1,045,000
04/07/2012	03/07/2017	$0.25	1,575,000	-	1,575,000
05/07/2013	04/07/2018	$0.30	2,083,333	-	2,083,333
20/11/2014	19/11/2019	$0.19	5,505,000	-	5,505,000
19/11/2015	30/11/2017	$0.095	-	14,285,715	14,285,715
Listed					
08/01/2016	30/11/2017	$0.095	-	17,980,071	17,980,071
			12,208,333	**30,265,786**	**42,474,119**

Shares Issued as a Result of Exercise of Options

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of listed options as follows (there were no amounts unpaid on the shares issued):

Date Options Granted	Issue Price of Shares	Number of Shares issued
08/01/2016	$0.095	6,248

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 $15,000.

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

Remuneration Report – Audited

This report outlines the remuneration arrangements in place for Directors and other key management personnel of Minotaur Exploration Ltd.

Remuneration philosophy

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 individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration consideration is given by the Board to the Group's financial performance.

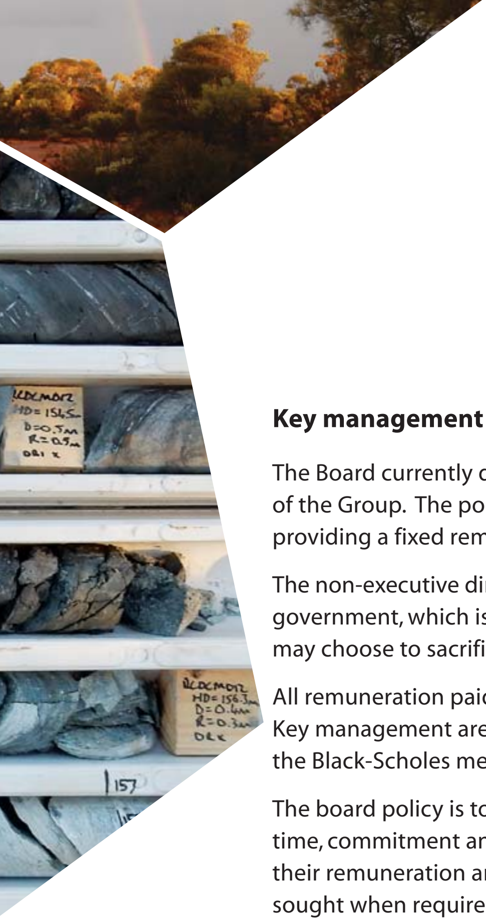
Employment contracts

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 Executive Director, Dr Antonio Belperio, are formalised in a contract of employment. Dr Belperio commenced employment on 1 January 2005 and his gross salary, inclusive of the 9.5% superannuation guarantee, is $225,500 per annum. The Company may terminate the employment contract without cause by providing six (6) months written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

The employment conditions of the Exploration Manager, Mr Glen Little, are formalised in a contract of employment. Mr Little commenced employment on 28 October 2014 and his gross salary, inclusive of the 9.5% superannuation guarantee, is $192,000 per annum. Mr Little is also entitled to the lease of a motor vehicle, with the total cost to the Company totalling $20,000 per annum. If in a particular year the cost to the Company is less than $20,000, the difference will be paid to Mr Little as additional remuneration. The Company may terminate the employment contract without cause by providing one (1) month written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

The employment conditions of the Commercial Manager and Company Secretary (effective 1 July 2016), Mr Varis Lidums, are formalised in a contract of employment. Mr Lidums commenced employment on 1 March 2011 and his gross salary, inclusive of the 9.5% superannuation guarantee, is $195,000 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.



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 non-executive directors and other executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and other key management personnel is expensed as incurred.
Key management are also entitled to participate in the Group's share option scheme. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates based on comparable companies for time, commitment and responsibilities. The Board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

Table 1: Director remuneration for the year ended 30 June 2016 and 30 June 2015

		Short Term Employee Benefits		Post Employment	Share-based Payments	Totals	Performance Based
		Salary & Fees	Bonus	Superannuation	Options	$	% of Remuneration
John Atkins*	**2016**	**-**	**-**	**-**	**-**	**-**	**-**
	2015	43,836	-	4,164	-	48,000	-
Derek Carter	**2016**	**86,982**	**-**	**-**	**-**	**86,982**	**-**
	2015	91,560	-	-	-	91,560	-
Antonio Belperio	**2016**	**205,936**	**-**	**19,564**	**-**	**225,500**	**-**
	2015	257,420	38,613	28,123	-	324,156	12
Richard Bonython**	**2016**	**16,305**	**-**	**1,549**	**-**	**17,854**	**-**
	2015	43,899	-	4,170	-	48,069	-
Andrew Woskett	**2016**	**337,891**	**-**	**-**	**-**	**337,891**	**-**
	2015	355,675	62,243	-	-	417,918	15
Total	**2016**	**647,114**	**-**	**21,113**	**-**	**668,227**	**-**
	2015	792,390	100,856	36,457	-	929,703	11

* On 30 June 2015 Mr John Atkins resigned as a non-executive director of the Company.

** On 25 November 2015 Mr Richard Bonython resigned as a non-executive director of the Company.

Table 2: Remuneration of other key management personnel for the year ended 30 June 2016 and 30 June 2015

		Short Term Employee Benefits		Post Employment	Share-based Payments	Totals	Performance Based
		Salary & Fees	Bonus	Superannuation	Options	$	% of Remuneration
Ian Garsed*	**2016**	**-**	**-**	**-**	**-**	**-**	**-**
	2015	41,958	-	1,800	-	43,758	-
Varis Lidums	**2016**	**169,178**	**-**	**16,072**	**-**	**185,250**	**-**
	2015	178,082	30,137	19,781	50,310	278,310	11
Glen Little**	**2016**	**171,011**	**-**	**16,246**	**-**	**187,257**	**-**
	2015	116,221	-	11,041	111,800	239,062	-
Donald Stephens***	**2016**	**-**	**-**	**-**	**-**	**-**	**-**
	2015	-	-	-	-	-	-
Total	**2016**	**340,189**	**-**	**32,318**	**-**	**372,507**	**-**
	2015	336,261	30,137	32,622	162,110	561,130	5

* Ian Garsed: On 8 August 2014 Ian Garsed resigned as an employee of Minotaur Exploration Ltd.

** Glen Little: On 28 October 2014 Glen Little was employed by Minotaur Exploration Ltd.

Other transactions with key management personnel

*** Donald Stephens: HLB Mann Judd (SA) Pty Ltd received professional fees for accounting, taxation and secretarial services provided during the year amounting to $74,824 (2015: $67,553) (inclusive of GST). Donald Stephens, the Company Secretary, is a consultant with HLB Mann Judd (SA) Pty Ltd.

Throughout the year $53,078 (2015: $51,680) (inclusive of GST) was paid to a related entity of Mr Antonio Belperio under a commercial lease agreement for the use of warehouse space located at Magill, South Australia.

Bonuses

No bonuses were paid during the 2016 financial 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.

Options held by key management personnel for the year ended 30 June 2016

Directors	Balance at beginning of period	Granted as remuneration	Exercised	Net change other	Balance at end of period	Expiry date	First exercise date
Andrew Woskett	1,000,000	-	-	(1,000,000)	-	30/08/15	30/08/10
Andrew Woskett	1,000,000	-	-	(1,000,000)	-	27/02/16	28/02/11
Other key management							
Varis Lidums	250,000	-	-	-	250,000	29/09/16	30/09/12
Varis Lidums	250,000	-	-	-	250,000	03/07/17	04/07/12
Varis Lidums	450,000	-	-	-	450,000	21/11/19	20/11/14
Glen Little	1,000,000	-	-	-	1,000,000	21/11/19	20/11/14

Shares held by key management personnel for the year ended 30 June 2016

Directors	Balance at 1 July 2015	On exercise of options	Net change other	Balance 30 June 2016
Derek Carter	2,261,701	-	226,171	2,487,872
Antonio Belperio	1,312,750	-	225,000	1,537,750
Andrew Woskett	205,000	-	50,000	255,000
Other key management				
Varis Lidums	-	-	-	-
Glen Little	58,956	-	-	58,956

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 2015 Annual General Meeting

Minotaur Exploration Ltd received more than 97.9% of "yes" votes on its remuneration report for the 2015 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
Derek Carter	6	6	-	-
Andrew Woskett	6	6	-	-
Richard Bonython	3	3	1	1
Antonio Belperio	6	6	1	1

Proceeds 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.

Non-audit services

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

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on *page 17* of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors:

Derek Carter
Chairman

Dated this 25th day of August 2016

Auditor's independence

DECLARATION

to the Directors of Minotaur Exploration Limited

Level 1,
67 Greenhill Rd
Wayville SA 5034

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Grant Thornton

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 2016, 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

Ian Kemp

I S Kemp
Partner – Audit & Assurance

Adelaide, 25 August 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated Group 2016 $	2015 $
Revenue	4(a)	**342,384**	423,471
Loss on disposal of foreign subsidiary	4(c)	**-**	(73,639)
Other income	4(b)	**466,680**	51,882
Impairment of exploration and evaluation assets	4(d)	**(11,420,788)**	(4,808,019)
Impairment of available-for-sale investments	4(d)	**(9,728)**	(178,379)
Project generation costs	4(d)	**(324,458)**	(374,122)
Employee benefits expense	4(e)	**(313,706)**	(787,398)
Depreciation expense	4(d)	**(187,627)**	(192,820)
Finance costs	4(d)	**(2,075)**	(5,718)
Other expenses	4(f)	**(878,666)**	(1,126,238)
Loss before income tax expense		**(12,327,984)**	(7,070,980)
Income tax benefit	5	**577,601**	555,059
Loss for the year		**(11,750,383)**	(6,515,921)
Other comprehensive income (net of tax)			
Items that may be reclassified to profit or loss			
Write-off of foreign currency translation reserve upon disposal of foreign subsidiary	19(b)	**-**	125,630
Fair value gains on available-for-sale assets	19(c)	**208,146**	-
Total comprehensive income for the year		**(11,542,237)**	(6,390,291)
Loss for the year is attributable to:			
Members of the parent entity	20	**(11,082,042)**	(6,472,394)
Non-controlling interest	21	**(668,341)**	(43,527)
		(11,750,383)	(6,515,921)
Total comprehensive income for the year is attributable to:			
Members of the parent entity		**(10,873,896)**	(6,346,764)
Non-controlling interest		**(668,341)**	(43,527)
		(11,542,237)	(6,390,291)
Earnings per share			
Basic earnings per share (cents)	6	**(5.58)**	(3.81)
Diluted earnings per share (cents)	6	**(5.58)**	(3.81)

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

Consolidated Statement of Financial Position AS AT 30 JUNE 2016

	Note	Consolidated Group 2016 $	2015 $
CURRENT ASSETS			
Cash and cash equivalents	7	**4,471,763**	4,163,979
Trade and other receivables	8	**34,431**	35,330
Other current assets	9	**78,846**	166,884
		4,585,040	4,366,193
Held-for-sale assets	10	**-**	4,758,158
TOTAL CURRENT ASSETS		**4,585,040**	9,124,351
NON-CURRENT ASSETS			
Available-for-sale investments	11	**636,971**	839,083
Property, plant and equipment	12	**947,716**	1,161,157
Exploration and evaluation assets	13	**10,217,052**	13,759,742
TOTAL NON-CURRENT ASSETS		**11,801,739**	15,759,982
TOTAL ASSETS		**16,386,780**	24,884,333
CURRENT LIABILITIES			
Trade and other payables	15	**1,298,599**	935,464
Borrowings	16	**14,933**	14,089
Short-term provisions	17	**500,084**	483,624
TOTAL CURRENT LIABILITIES		**1,813,616**	1,433,177
NON-CURRENT LIABILITIES			
Borrowings	16	**394,574**	409,507
Long-term provisions	17	**41,067**	26,391
TOTAL NON-CURRENT LIABILITIES		**435,641**	435,898
TOTAL LIABILITIES		**2,249,258**	1,869,075
NET ASSETS		**14,137,522**	23,015,258
EQUITY			
Issued capital	18	**42,930,982**	40,781,387
Reserves	19	**1,044,644**	1,024,418
Accumulated losses	20	**(29,842,301)**	(18,975,019)
PARENT INTEREST		**14,133,325**	22,830,786
Non-controlling interest	21	**4,197**	184,472
TOTAL EQUITY		**14,137,522**	23,015,258

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Issued Capital Ordinary $	Share Option Reserve $	Other Components of Equity (Note 19) $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
		Consolidated Group					
Balance at 1 July 2015		**40,781,387**	**1,024,418**	**-**	**(18,975,019)**	**184,472**	**23,015,258**
Comprehensive income							
Total loss for the year		**-**	**-**	**208,146**	**(11,082,042)**	**(668,341)**	**(11,542,237)**
Total comprehensive income for the year		**-**	**-**	**208,146**	**(11,082,042)**	**(668,341)**	**(11,542,237)**
Transactions with owners, in their capacity as owners, and other transfers							
Issue of shares through Share Placement and Rights Issue	18	**2,258,744**	**-**	**-**	**-**	**-**	**2,258,744**
Transaction costs (net of tax)		**(109,337)**	**-**	**-**	**-**	**-**	**(109,337)**
Issue of shares through exercise of options	18	**188**	**-**	**-**	**-**	**-**	**188**
Conversion of non-controlling interest loan to equity in controlled entity		**-**	**-**	**-**	**-**	**514,906**	**514,906**
Adjustment upon increase in ownership percentage in controlled entity		**-**	**-**	**-**	**26,840**	**(26,840)**	**-**
Transfer from share option reserve upon lapse of options	19(a)	**-**	**(187,920)**	**-**	**187,920**	**-**	**-**
		2,149,595	**(187,920)**	**-**	**214,760**	**488,066**	**2,664,501**
Balance at 30 June 2016		**42,930,982**	**836,498**	**208,146**	**(29,842,301)**	**4,197**	**14,137,522**
Balance at 1 July 2014		36,874,859	924,589	(125,630)	(13,018,255)	227,999	24,883,562
Comprehensive income							
Total loss for the year		-	-	-	(6,472,394)	(43,527)	(6,515,921)
Write-off of foreign currency translation reserve upon disposal of foreign subsidiary		-	-	125,630	-	-	125,630
Total comprehensive income for the year		-	-	125,630	(6,472,394)	(43,527)	(6,390,291)
Transactions with owners, in their capacity as owners, and other transfers							
Issue of shares through Share Purchase Plan and Share Placement	18	3,991,000	-	-	-	-	3,991,000
Transaction costs (net of tax)		(84,472)	-	-	-	-	(84,472)
Options issued under Employee Share Option Plan	19(a)	-	615,459	-	-	-	615,459
Transfer from share option reserve upon lapse of options	19(a)	-	(515,630)	-	515,630	-	-
		3,906,528	99,829	-	515,630	-	4,521,987
Balance at 30 June 2015		**40,781,387**	**1,024,418**	**-**	**(18,975,019)**	**184,472**	**23,015,258**

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

Consolidated Statement of Cash Flows FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated Group 2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**285,003**	253,056
Payments to suppliers and employees		**(1,552,420)**	(1,720,064)
Interest received		**56,674**	109,838
Finance costs		**(2,075)**	(5,718)
R&D tax concession received		**624,460**	598,227
NET CASH USED IN OPERATING ACTIVITIES	7	**(588,358)**	(764,661)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(11,006)**	(124,177)
Proceeds from sale of property, plant and equipment		**38,366**	25,001
Purchase of available-for-sale investments		**(103,328)**	(80,000)
Proceeds from sale of available-for-sale investments		**962,039**	326,989
Payment for Scotia Project Gold JV interest		**(50,000)**	-
Joint Venture receipts		**2,711,268**	3,794,983
Government grants received for exploration activities		**80,573**	-
Payment for exploration activities		**(4,973,070)**	(7,951,152)
NET CASH USED IN INVESTING ACTIVITIES		**(1,345,158)**	(4,008,356)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares through Share Purchase Plan and Share Placement		**2,258,931**	3,991,000
Funds received from GFR		**152,653**	362,253
Payment of transaction costs for issue of shares		**(156,195)**	(127,640)
Proceeds from borrowings		**-**	46,747
Repayment of borrowings		**(14,089)**	(129,537)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**2,241,300**	4,142,823
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**307,784**	(630,194)
Cash at the beginning of the year		**4,163,979**	4,794,173
CASH AT THE END OF THE YEAR	7	**4,471,763**	4,163,979

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

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

The separate financial statements of the parent entity, Minotaur Exploration Ltd, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Minotaur Exploration Limited is the Group's Ultimate Parent Company. Minotaur Exploration Limited is a Public Company incorporated and domiciled in Australia. The address of its registered office is C/- HLB Mann Judd (SA) Pty Ltd, 169 Fullarton Road, Dulwich SA 5065 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 2016 were approved and authorised for issue by the Board of Directors on 25th August 2016.

a) Principle of Consolidation

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

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

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

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

Non-controlling interests

Non-controlling interests (i.e. equity in a subsidiary not attributable directly or indirectly to a parent) are present in the consolidated statement of financial position within equity separately from the equity of the owners of the parent.

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 Ltd.

Minotaur Exploration Ltd 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 Ltd recognises the entire tax-consolidated group's retained tax losses.

Research and development tax incentive

To the extent that research and development costs are eligible activities under the "Research and development tax incentive" programme, a 45% refundable tax offset is available for companies with annual turnover of less than $20 million. The Group recognises refundable tax offsets received in the financial year 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 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c) Property, Plant and Equipment

Depreciation

The useful life for each class of depreciable assets are:

Class of Fixed Asset	Useful life
Leasehold improvements	3-7 years
Buildings	20 years
Plant and equipment	2-20 years
Motor Vehicles	6-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits.

Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the lease term.

f) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

ii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

g) Investments in Associates and Joint Ventures

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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 acquire, 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) 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.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

j) 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 annual leave and 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.

k) 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.

l) 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.

m) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

n) 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.

o) 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.

p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

q) 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 assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

r) Comparative Figures

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

s) Critical Accounting Estimates and Judgments

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 or value-in-use 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 $10,217,052 (2015: $13,759,742).

t) Changes in accounting policies

New and amended standards adopted by the Group

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2015. Information on the more significant standard(s) is presented below.

AASB 2015-4 amends AASB 128 *Investments in Associates and Joint Ventures* to ensure that its reporting requirements on Australian groups with a foreign parent align with those currently available in AASB 10 *Consolidated Financial Statements* for such groups. AASB 128 will now only require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities.

AASB 2015-4 is applicable to annual reporting periods beginning on or after 1 July 2015.

The adoption of this amendment has not had a material impact on the Group.

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

AASB 9 Financial Instruments (December 2014)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are:

a) Financial assets that are debt instruments will be classified based on:

i) the objective of the entity's business model for managing the financial assets; and

ii) the characteristics of the contractual cash flows.

b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)
- the remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and

- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

The Group is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the Group's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 1057 Application of Australian Accounting Standards

In May 2015, the AASB decided to revise Australian Accounting Standards that incorporate IFRSs to minimise Australian-specific wording even further. The AASB noted that IFRSs do not contain application paragraphs that identify the entities and financial reports to which the Standards (and Interpretations) apply. As a result, the AASB decided to move the application paragraphs previously contained in each Australian Accounting Standard (or Interpretation), unchanged, into a new Standard AASB 1057 Application of Australian Accounting Standards.

When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the financial statements.

AASB 16 Leases

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e. a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances:

1. The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
2. When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle

These amendments arise from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle in September 2014 by the IASB. Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project. The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order
- remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception

The narrow-scope amendments to AASB 10 *Consolidated Financial Statements*, AASB 12 *Disclosure of Interests in Other Entities* and AASB 128 *Investments in Associates and Joint Ventures* introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs

AASB 2015-9 inserts scope paragraphs into AASB 8 *Operating Segments* and AASB 133 *Earnings per Share* in place of application paragraph text in AASB 1057.

In July and August 2015, the AASB reissued AASB 8, AASB 133 and most of the Australian Accounting Standards that incorporate IFRSs to make editorial changes. The application paragraphs in the previous versions of AASB 8 and AASB 133 covered scope paragraphs that appear separately in the corresponding IFRS 8 and IAS 33. In moving those application paragraphs to AASB 1057 when AASB 8 and AASB 133 were reissued in August, the AASB inadvertently deleted the scope details from AASB 8 and AASB 133. This amending Standard puts the scope details into those Standards, and removes the related text from AASB 1057. There is no change to the requirements or the applicability of AASB 8 and AASB 133.

When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the financial statements.

AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128

This Standard defers the mandatory application date of amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate* or *Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.

The amendments have been deferred as the IASB is planning to address them as part of its longer term Equity Accounting project. However, early application of the amendments is still permitted.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

AASB 2016-2 amends AASB 107 *Statement of Cash Flows* to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

	2016 $	2015 $
2 PARENT INFORMATION		
Assets		
Current assets	**4,060,552**	3,698,381
Non-current assets	**11,771,528**	20,476,408
	15,832,080	24,174,789
Liabilities		
Current liabilities	**1,258,918**	723,633
Non-current liabilities	**435,641**	435,898
	1,694,559	1,159,531
Equity		
Issued capital	**42,930,982**	40,781,387
Reserves – Share option	**836,499**	1,024,418
Retained earnings	**(29,629,960)**	(18,790,547)
	14,137,521	23,015,258
Financial performance		
Loss for the year	**(10,624,654)**	(5,359,032)
Other comprehensive income	**-**	-
	(10,624,654)	(5,359,032)

Guarantees

Minotaur Exploration Ltd 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 24*. The contingent liabilities of the parent are consistent with that of the Group.

Contractual Commitments

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

3 OPERATING SEGMENTS

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated Group 2016 $	2015 $
4 REVENUE AND EXPENSES		
a) Revenue		
Administration fees	**260,086**	246,899
Rent received	**24,917**	68,220
Bank interest received or receivable	**57,381**	108,352
	342,384	423,471
b) Other income		
Net gains on disposal of available-for-sale investments	**449,511**	20,725
Net gains on disposal of property, plant and equipment	**17,169**	25,001
Other income	**-**	6,156
	466,680	51,882

c) Loss on disposal of foreign subsidiary

On 11 December 2014, the Group executed a Share Purchase Agreement for the sale of all of the shares in its wholly-owned foreign subsidiary, Minotaur Atlantic Exploration Ltd to Cogonov Inc in exchange for 200,000 common shares in Cogonov Inc valued at $52,507 (CAD $50,000).

As at 30 June 2016, the fair value of shares held in Cogonov Inc $Nil (2015: $Nil).

The carrying amount of the net assets of Minotaur Atlantic Exploration Ltd recognised as at the date of disposal (11 December 2014) and breakdown of consideration is detailed as follows:

Current assets	**$**
Cash and cash equivalents	398
Trade and other receivables	118
Net assets as at date of disposal	**516**
Consideration received in shares	52,507
Gain on disposal	**51,991**
Translation of foreign subsidiary up to date of disposal	(6,586)
Write-off of foreign currency translation reserve upon disposal of foreign subsidiary	(119,044)
	(125,630)
Net loss on disposal	**(73,639)**

4 REVENUE AND EXPENSES

	Consolidated Group	
	2016	2015
	$	$
d) Expenses		
Impairment of non-current assets		
Impairment of exploration and evaluation assets	**11,420,788**	4,808,019
Impairment of available-for-sale financial assets	**9,728**	178,379
Total impairment of non-current assets	**11,430,516**	4,986,398
Project generation costs		
Project generation costs	**324,458**	374,122
Total project generation costs	**324,458**	374,122
Depreciation of non-current assets		
Buildings	**7,937**	7,937
Leasehold improvements	**92,361**	93,635
Plant and equipment	**64,168**	57,228
Motor vehicles	**23,161**	34,020
Total depreciation of non-current assets	**187,627**	192,820
Finance expenses		
Finance costs	**150**	150
Interest applicable to hire-purchase contracts	**1,925**	5,568
Total finance expenses	**2,075**	5,718
e) Employee benefits expense		
Wages, salaries, directors fees and other remuneration expenses	**2,195,445**	2,815,081
Superannuation expense	**163,633**	210,843
Transfer to/(from) annual leave provision	**48,798**	9,425
Transfer to/(from) long service leave provision	**(17,662)**	12,791
Employee share options expense	**-**	615,459
Transfer to exploration assets	**(2,076,508)**	(2,876,201)
	313,706	787,398
f) Other expenses		
Secretarial, professional and consultancy	**249,908**	381,869
Employee taxes and levies	**114,576**	143,899
Occupancy costs	**252,394**	283,511
Insurance costs	**59,957**	72,086
ASX/ASIC costs	**36,035**	34,894
Share register maintenance	**73,824**	46,028
Communication costs	**9,400**	15,030
Promotion and seminars	**28,883**	44,659
Audit fees	**44,500**	46,100
Other expenses	**9,189**	58,162
	878,666	1,126,238

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated Group	
	2016	2015
	$	$
5 INCOME TAX BENEFIT		
The major components of income tax benefit are:		
Statement of comprehensive income		
Current income tax		
Current income tax charge	**-**	-
Tax portion of capital raising costs	**46,859**	43,168
Research and development tax incentive	**(624,460)**	(598,227)
Income tax benefit reported in the income statement	**(577,601)**	(555,059)
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:		
Accounting (loss)/profit before income tax	**(12,327,984)**	(7,070,980)
At the Group's statutory income tax rate of 30% (2015: 30%)	**(3,698,395)**	(2,121,294)
Immediate write-off of exploration expenditure	**(824,235)**	(1,332,030)
Expenditure not allowable for income tax purposes	**3,140,630**	1,753,815
Tax losses not recognised due to not meeting recognition criteria	**1,382,000**	1,699,509
	-	-

The Group has tax losses arising in Australia of $83,949,507 (2015: $82,326,345) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. In addition, the Group has $8,195,267 (2015: $3,688,161) capital losses available. These losses include $72,537,535 tax losses and $2,323,426 capital losses transferred to the tax consolidated group on the acquisition of Breakaway Resources Ltd's income tax consolidated group from 5 December 2013. The utilisation of these losses acquired will be restricted to the available fraction of 0.287.

Tax consolidation

Minotaur Exploration Ltd and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 5 February 2005. Breakaway Resources Ltd and its subsidiaries were included in the tax consolidated group upon their acquisition on 5 December 2013. Minotaur Exploration Ltd is the head entity of the tax consolidated group.

6 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated Group	
	2016	2015
Net loss attributable to ordinary equity holders of the parent	**($11,082,042)**	($6,472,394)
Weighted average number of ordinary shares for basic earnings per share	**198,646,744**	170,936,993
Effect of dilution		
Share options	**-**	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**198,646,744**	170,936,993

In accordance with AASB 133 'Earnings per Share', as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account for 2016.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	Consolidated Group	
	2016 $	2015 $

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents

Cash at bank and on hand	**3,487,034**	1,684,251
Short-term deposits	**984,729**	2,479,728
	4,471,763	4,163,979

Included in cash at bank is $177,200 relating to deposits to secure tenements and rental tenancy and as such is restricted for this use.

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.

Reconciliation to Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June:

Cash at banks and on hand	**3,487,034**	1,684,251
Short-term deposits	**984,729**	2,479,728
	4,471,763	4,163,979

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

7 CASH AND CASH EQUIVALENTS

	Consolidated Group 2016 $	2015 $
Reconciliation of net loss after tax to net cash flows from operations		
Net loss	**(11,750,383)**	(6,515,921)
Adjustments for non-cash items:		
Depreciation	**187,627**	192,820
Impairment of non-current assets and project generation costs	**11,754,974**	5,360,519
loss on sale of foreign subsidiary	**-**	73,639
Net gain on disposal of property plant and equipment, available-for-sale financial instruments and tenements	**(466,680)**	(45,726)
Share options expensed	**-**	615,459
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**2,331**	(64,462)
(Increase)/decrease in prepayments	**13,256**	4,114
(Decrease)/increase in trade and other payables	**(360,619)**	(407,319)
(Decrease)/increase in employee provisions	**31,136**	22,216
Net cash used in operating activities	**(588,358)**	(764,661)

8 TRADE AND OTHER RECEIVABLES

Trade receivables (i)	**34,431**	35,330
	34,431	35,330

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

i) Trade receivables are non-interest bearing and are generally on 30-90 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. No impairment was recognised in 2015 and 2016 and no receivables are past due at balance date.

9 OTHER CURRENT ASSETS

Prepayments	**56,535**	69,791
Accrued income	**5,940**	76,613
Other	**16,371**	20,480
	78,846	166,884

10 HELD-FOR-SALE ASSETS

Opening balance	**4,758,158**	-
Additions through expenditure capitalised	**58,720**	-
Transfers (to)/from exploration and evaluation assets	**(4,816,878)**	4,758,158
	-	4,758,158

During the year the marketing process undertaken for the sale of the Group's gypsum project located in South Australia, the Scotia and Leinster tenement groups, along with the Group's nickel mining rights and obligations and other mineral royalty rights across 19 tenements in the West Kambalda region of Western Australia, drew to a close. No sale transaction was entered into as a result of this process. These assets have been reclassified to exploration and evaluation assets and their carrying value impaired to $Nil as at 30 June 2016.

	Consolidated Group	
	2016	2015
	$	$

11 AVAILABLE-FOR-SALE INVESTMENTS

At fair value – Shares, listed:		
Opening balance	**839,083**	1,127,693
Revaluations	**208,146**	-
Disposals	**(503,858)**	(190,231)
Acquisitions	**103,328**	80,000
Impairments	**(9,728)**	(178,379)
	636,971	839,083

12 PROPERTY, PLANT AND EQUIPMENT

Land and buildings

Cost		
Opening balance	**508,723**	508,723
Additions	**-**	-
Disposals	**-**	-
	508,723	508,723
Accumulated depreciation		
Opening balance	**7,937**	-
Depreciation for the year	**7,937**	7,937
Disposals	**-**	-
	15,874	7,937
Net book value of land and buildings	**492,849**	500,786

Property is measured at historical cost less accumulated depreciation. Land and buildings with a net book value of $492,849 (2015: $500,786) is offered as security against a mortgage of $392,000.

Leasehold improvements

Cost		
Opening balance	**611,218**	611,218
Additions	**-**	-
Disposals	**-**	-
	611,218	611,218
Accumulated depreciation		
Opening balance	**244,373**	150,738
Depreciation for the year	**92,361**	93,635
Disposals	**-**	-
	336,734	244,373
Net book value of leasehold improvements	**274,484**	366,845

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

12 PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2016	2015
	$	$
Plant and equipment		
Cost		
Opening balance	**411,799**	455,536
Additions	**11,006**	92,909
Disposals	**(23,879)**	(136,646)
	398,926	411,799
Accumulated depreciation		
Opening balance	**262,012**	341,430
Depreciation for the year	**64,168**	57,228
Disposals	**(23,879)**	(136,646)
	302,301	262,012
Net book value of plant and equipment	**96,625**	149,787
Kaolin pilot plant		
Cost		
Opening balance	**283,765**	283,765
Additions	**-**	-
Disposals	**-**	-
	283,765	283,765
Accumulated depreciation		
Opening balance	**244,700**	218,082
Depreciation for the year	**15,626**	26,618
Disposals	**-**	-
	260,326	244,700
Net book value of Kaolin pilot plant	**23,439**	39,065
Motor vehicles		
Cost		
Opening balance	**245,950**	202,232
Additions	**-**	43,718
Disposals	**(58,697)**	-
	187,253	245,950
Accumulated depreciation		
Opening balance	**141,276**	107,256
Depreciation for the year	**23,161**	34,020
Disposals	**(37,503)**	-
	126,934	141,276
Net book value of motor vehicles	**60,319**	104,674
Total net book value of property, plant and equipment	**947,716**	1,161,157

Motor vehicles with a net book value of $25,737 (2015: $34,316) is offered as security against hire purchase contracts of $17,507.

	Consolidated Group 2016 $	2015 $

13 EXPLORATION AND EVALUATION ASSETS

	2016 $	2015 $
Exploration, evaluation and development costs carried forward in respect of mining areas of interest		
Exploration and evaluation phase – Joint Operations	**6,322,354**	1,740,419
Exploration and evaluation phase – Other	**3,894,698**	12,019,323
	10,217,052	13,759,742

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.

Capitalised tenement expenditure movement reconciliation – Consolidated Group:

	Exploration Joint Operations $	Exploration Other $	Total $
Balance at beginning of year	1,740,419	12,019,323	13,759,742
Additions through expenditure capitalised	2,839,867	2,267,897	5,107,764
Reductions through joint operation contributions	(2,046,544)	-	(2,046,544)
Write-off of tenements relinquished	(1,525,696)	(9,895,092)	(11,420,788)
Transfers from held-for-sale assets	-	4,816,878	4,816,878
Transfers between categories	5,314,308	(5,314,308)	-
Balance at end of year	**6,322,354**	**3,894,698**	**10,217,052**

The impairment expense of $11,420,788 arose from a review of the Group's capitalised costs and the relevant tenements to which the costs related.

During the year the marketing process undertaken for the sale of the Group's gypsum project located in South Australia, the Scotia and Leinster tenement groups, along with the Group's nickel mining rights and obligations and other mineral royalty rights across 19 tenements in the West Kambalda region of Western Australia, drew to a close. No sale transaction was entered into as a result of this process. These assets have been reclassified to exploration and evaluation assets from held-for-sale assets and their carrying value impaired to $Nil as at 30 June 2016.

Deterioration of market conditions also triggered impairment relating to the Group's non-core assets, namely its industrial minerals assets located in South Australia.

14 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 and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue. Options will be issued free. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

14 SHARE-BASED PAYMENTS

Employee Share Option Plan

- If, prior to the expiry date of options, a person ceases to be an employee of a Group company for any reason other than retirement at age 60 or more (or such earlier age as the Board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of *a)* the expiry of the period of 1 month from the date of such occurrence, and *b)* the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- The Company will not apply for official quotation of any options. Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.

The Board may amend the Plan Rules subject to the requirements of the Listing Rules. The expense recognised in the Statement of profit or loss and other comprehensive income in relation to share-based payments is disclosed in *Note 4 (e)*.

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:

	2016 Number	**2016 WAEP**	2015 **Number**	2015 **WAEP**
Outstanding at the beginning of the year	**8,125,000**	**0.20**	3,660,000	0.23
Granted during the year	**-**	**-**	5,505,000	0.19
Forfeited during the year	**-**	**-**	(1,040,000)	0.23
Expired or lapsed during the year	**-**	**-**	-	-
Outstanding at the end of the year	**8,125,000**	**0.20**	8,125,000	0.20
Exercisable at the end of the year	**8,125,000**	**0.20**	8,125,000	0.20

The outstanding balance as at 30 June 2016 is represented by:

- A total of 1,045,000 options exercisable at any time until 29 September 2016 with an exercise price of $0.21.
- A total of 1,575,000 options exercisable at any time until 3 July 2017 with an exercise price of $0.25.
- A total of 5,505,000 options exercisable at any time until 21 November 2019 with an exercise price of $0.19.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2016 is 2.53 years (2015: 3.53 years).
The range of exercise prices for options outstanding at the end of the year was $0.19 - $0.25 (2015: $0.19 - $0.25).
The weighted average fair value of options granted during the year was $Nil (2015: $615,459).

	Consolidated Group	
	2016 $	2015 $
15 TRADE AND OTHER PAYABLES		
Trade payables (i)	**450,687**	392,045
Net GST and PAYG Payable	**6,995**	21,718
Funds received from GFR (iii)	**-**	362,253
Joint operation income received in advance	**608,312**	-
Other payables (ii)	**232,605**	159,448
	1,298,599	935,464

i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
ii) Other payables are non-interest bearing and are normally settled within 30 – 90 days.
iii) Funds received from GFR are to be converted into equity in Minotaur Gold Solutions Ltd,

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

	Consolidated Group	
	2016	2015
	$	$

16 BORROWINGS

Current		
Hire purchase contracts	**14,933**	14,089
	14,933	14,089
Non-current		
Hire purchase contracts	**2,574**	17,507
Bank borrowings	**392,000**	392,000
	394,574	409,507

Bank borrowings reflect a secured 5 year interest only loan.
There are no annual renewal or review terms.

17 PROVISIONS

Current		
Annual leave provision		
Balance at 1 July	**112,213**	102,788
Net increase in provision	**48,798**	9,425
Closing Balance 30 June	**161,011**	112,213
Long Service Leave		
Balance at 1 July	**371,411**	352,552
Net(decrese)/increase in provision	**(32,338)**	18,859
Closing Balance 30 June	**339,073**	371,411
	500,084	483,624
Non-current		
Long Service Leave		
Balance at 1 July	**26,391**	32,459
Net increase/(decrease) in provision	**14,676**	(6,068)
Closing Balance 30 June	**41,067**	26,391

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated Group 2016 $	2015 $
18 ISSUED CAPITAL		
212,344,322 fully paid ordinary shares (2015: 180,074,588)	**42,930,982**	40,781,387

	2016		2015	
	Number	**$**	Number	$
Balance at beginning of financial year	**180,074,588**	**40,781,387**	152,165,042	36,874,859
Issue of shares through Share Placement Rights Issue and Share Purchase Plan	**32,267,760**	**2,258,744**	27,909,546	3,991,000
Issue of shares through exercise of options	**1,974**	**188**	-	-
Transaction costs on shares issued	**-**	**(109,337)**	-	(84,472)
Balance at end of financial year	**212,344,322**	**42,930,982**	180,074,588	40,781,387

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

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

	Consolidated Group 2016 $	2015 $
19 RESERVES		
Share option reserve (a)	**836,498**	1,024,418
Foreign currency translation reserve (b)	**-**	-
Available-for-sale revaluation reserve (c)	**208,146**	-
	1,044,644	1,024,418

a) Share option reserve

	2016	2015
Balance at beginning of financial year	**1,024,418**	924,589
Issue of options to employees and officers under Employee Share Option Plan	**-**	615,459
Transfer to retained earnings upon lapse of options	**(187,920)**	(515,630)
Balance at end of financial year	**836,498**	1,024,418

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.

b) Foreign currency translation reserve

	2016	2015
Balance at beginning of financial year	**-**	(125,630)
Translation of foreign subsidiary	**-**	6,586
Write-off upon disposal of foreign subsidiary*	**-**	119,044
Balance at end of financial year	**-**	-

* On 11 December 2014, the Group executed a Share Purchase Agreement for the sale of all of the shares in its wholly owned foreign subsidiary, Minotaur Atlantic Exploration Ltd. Refer to note 4(c) for further details.

19 RESERVES

	Consolidated Group 2016 $	2015 $
c) Available-for-sale revaluation reserve		
Balance at beginning of financial year	**-**	-
Revaluation increment	**208,146**	-
Balance at end of financial year	**208,146**	-

20 ACCUMULATED LOSSES

	2016 $	2015 $
Balance at beginning of financial year	**(18,975,019)**	(13,018,255)
Net loss attributable to members of the parent entity	**(11,082,042)**	(6,472,394)
Transfer from share option reserve – lapsed options	**187,920**	515,630
Adjustment upon increase in ownership percentage in controlled entity	**26,840**	-
Balance at end of financial year	**(29,842,301)**	(18,975,019)

21 NON-CONTROLLING INTEREST

	2016 $	2015 $
Balance at beginning of financial year	**184,472**	227,999
Conversion of non-controlling interest loan to equity in controlled entity	**514,906**	-
Adjustment upon increase in ownership percentage in controlled entity	**(26,840)**	-
Net loss attributable to non-controlling interest	**(668,341)**	(43,527)
	4,197	184,472

22 COMMITMENTS FOR EXPENDITURE

	2016 $	2015 $
Operating leases		
Not longer than 1 year	**346,967**	343,821
Longer than 1 year and not longer than 5 years	**700,196**	1,036,287
	1,047,163	1,380,108
Hire purchase commitments		
Not longer than 1 year	**15,558**	15,558
Longer than 1 year and not longer than 5 years	**2,594**	18,152
	18,152	33,710
Less: future finance charges	**(645)**	(2,114)
	17,507	31,596

Terms of lease arrangements

The Group has in place an operating lease for its principal place of business. The lease expires on 9 July 2019 and includes an escalation clause linked to CPI.

Future minimum lease payments under hire purchase contracts together with the present value of the net minimum lease payments are listed in the above table.

Exploration leases

In order to maintain current rights of tenure to exploration tenements the Group will be required to outlay in the year ending 30 June 2017 amounts of approximately $5.5 million in respect of tenement lease rentals and to meet minimum expenditure requirements. It is expected that of this minimum expenditure requirement, $3.5 million will be funded by Minotaur's current and potential joint venture partners. The net obligation to the Group is expected to be fulfilled in the normal course of operations.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated Group 2016 $	2015 $
23 AUDITOR'S REMUNERATION		
Audit or review of the financial report	**44,500**	46,100
Taxation compliance	**1,100**	1,000
Total auditor's remuneration	**45,600**	47,100

24 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 $177,200 at 30 June 2016 (2015: $272,200). 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.

	Country of incorporation	Ownership interest 2016 %	2015 %
25 CONTROLLED ENTITIES			
Parent entity			
Minotaur Exploration Limited (i)	Australia		
Subsidiaries			
Minotaur Operations Pty Ltd (ii)	Australia	**100**	100
Minotaur Resources Investments Pty Ltd (ii)	Australia	**100**	100
Minotaur Industrial Minerals Pty Ltd (ii)	Australia	**100**	100
Great Southern Kaolin Pty Ltd (ii)	Australia	**100**	100
Breakaway Resources Pty Ltd (ii)	Australia	**100**	100
Scotia Nickel Pty Ltd (ii)	Australia	**100**	100
Altia Resources Pty Ltd (ii)	Australia	**100**	100
Levuka Resources Pty Ltd (ii)	Australia	**100**	100
BMV Properties Pty Ltd (ii)	Australia	**100**	100
Minotaur Gold Solutions Limited	Australia	**73**	50

i) Minotaur Exploration Limited is the head entity within the tax consolidated Group.

ii) These companies are members of the tax consolidated Group.

26 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:

	Note	AFS $	Cash $	Loans and Receivables $	Total $
		(Carried at fair value)	*(Carried at amortised cost)*		
30 June 2016					
Financial assets					
Cash and cash equivalents	7	**-**	**4,471,763**	**-**	**4,471,763**
Trade and other receivables	8	**-**	**-**	**34,431**	**34,431**
Available-for-sale assets	11, 26(a)	**636,971**	**-**	**-**	**636,971**
		636,971	**4,471,763**	**34,431**	**5,143,165**

	Note	Payables $	Borrowings $	Total $
		(Carried at amortised cost)		
Financial liabilities				
Trade and other payables	15	**1,298,599**	**-**	**1,298,599**
Current borrowings	16, 26(b)	**-**	**14,933**	**14,933**
Non-current borrowings	16, 26(b)	**-**	**394,574**	**394,574**
		1,298,599	**409,507**	**1,708,106**

	Note	AFS $	Cash $	Loans and Receivables $	Total $
		(Carried at fair value)	*(Carried at amortised cost)*		
30 June 2015					
Financial assets					
Cash and cash equivalents	7	-	4,163,979	-	4,163,979
Trade and other receivables	8	-	-	35,330	35,330
Available-for-sale assets	11, 26(a)	839,083	-	-	839,083
		839,083	4,163,979	35,330	5,038,392

	Note	Payables $	Borrowings $	Total $
		(Carried at amortised cost)		
Financial liabilities				
Trade and other payables	15	935,464	-	935,464
Current borrowings	16, 26(b)	-	14,089	14,089
Non-current borrowings	16, 26(b)	-	409,507	409,507
		935,464	423,596	1,359,060

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

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

26 FINANCIAL ASSETS AND LIABILITIES

	Consolidated Group	
	2016 **$**	2015 $

26(a) AFS financial assets

The details and carrying amounts of AFS financial assets are as follows:

	2016 **$**	2015 $
Listed securities	**636,971**	839,083
	636,971	839,083

The listed securities are denominated in AUD and are publically traded in Australia.

26(b) Borrowings

Borrowings include the financial liabilities:

	Current		Non-Current	
	2016 **$**	2015 $	**2016** **$**	2015 $
Financial liabilities				
Fair value				
Finance lease liabilities	**14,933**	14,089	**2,574**	17,507
Bank borrowings	**-**	-	**392,000**	392,000
	14,933	14,089	**394,574**	409,507

All borrowings are denominated in AUD.

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 4.69% (2015: 4.81%). 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

27 FINANCIAL RISK MANAGEMENT

Credit risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in *Notes 18, 19, 20* respectively. Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs.

27 FINANCIAL RISK MANAGEMENT

	Consolidated Group 2016 $	2015 $
Financial assets		
Cash and cash equivalents	**4,471,763**	4,163,979
Trade receivables	**34,431**	35,330
Available-for-sale assets	**636,971**	839,083
Financial liabilities		
Payables	**1,298,599**	935,463
Borrowings	**409,507**	425,710

Credit risk

Credit risk management 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).

	Weighted average effective interest rate %	Less than 1 year $
Consolidated		
2016		
Variable interest rate	**1.66**	**4,471,763**
2015		
Variable interest rate	2.39	4,163,979

At 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 $21,589 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

27 FINANCIAL RISK MANAGEMENT

Liquidity and interest risk tables

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

	Weighted average effective interest rate %	Less than 1 year $	Longer than 1 year and not longer than 5 years $
Consolidated			
2016			
Interest bearing	**4.75**	**14,933**	**394,574**
Non-interest bearing	**-**	**1,298,599**	**-**
2015			
Interest bearing	4.99	14,089	409,507
Non-interest bearing	-	935,463	-

Available-for-sale financial instrument risk management

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

28 FAIR VALUE MEASUREMENT

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

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

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2016 and 30 June 2015:

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2016				
Financial assets at fair value				
Available-for-sale investments				
Listed securities	**636,971**	**-**	**-**	**636,971**
	636,971	**-**	**-**	**636,971**
30 June 2015				
Financial assets at fair value				
Available-for-sale investments				
Listed securities	839,083	-	-	839,083
	839,083	-	-	839,083

There were no transfers between Level 1 and Level 2 in 2016 or 2015.

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.

29 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':

Mr Derek Carter, *Chairman*

Mr Andrew Woskett, *Managing Director*

Dr Antonio Belperio, *Executive Director*

Mr Richard Bonython, *Non-Executive Director (resigned 25 November 2015)*

Dr Roger Higgins, *Non-Executive Director (appointed 1 July 2016)*

Mr Donald Stephens, *Company Secretary (resigned 1 July 2016)*

Mr Varis Lidums, *Commercial Manager (Company Secretary – appointed 1 July 2016)*

Mr Glen Little, *Exploration Manager*

Key management personnel remuneration includes the following expenses:

	2016 $	2015 $
Salaries including bonuses	**987,303**	1,259,644
Total short-term employee benefits	**987,303**	1,259,644
Superannuation	**53,431**	69,079
Total post-employment benefits	**53,431**	69,079
Share-based payments	**-**	162,110
Total share-based payments	**-**	162,110
Total remuneration	**1,040,734**	1,490,833

Transactions with associates

Throughout the year no transactions took place between Minotaur Exploration Limited and any associates (2015: $Nil). In addition, no amounts were owed by any associates at the end of the year (2015: $Nil).

Director and key management personnel related entities

Throughout the year $53,078 (2015: $51,680) (inclusive of GST) was paid to a related entity of Mr Antonio Belperio under a commercial lease agreement for the use of warehouse space located at Magill, South Australia.

Donald Stephens, the Company Secretary, is a consultant with HLB Mann Judd (SA) Pty Ltd. HLB Mann Judd (SA) Pty Ltd received professional fees for accounting, taxation and secretarial services provided during the year amounting to $74,824 (2015: $67,553) (inclusive of GST).

Throughout the year, no other transactions took place between Minotaur Exploration Limited and any director or key management personnel related entities.

Wholly-owned group transactions

The entities comprising the wholly owned Group and ownership interests in these controlled entities are set out in *Note 25*. Transactions between Minotaur Exploration Limited and other entities in the wholly-owned Group during the year consisted of loans advanced by Minotaur Exploration Limited to fund exploration activities.

30 POST-REPORTING DATE EVENTS

No matter or circumstance has arisen since 30 June 2016 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future.

Directors' Declaration FOR THE YEAR ENDED 30 JUNE 2016

The Directors of the Company declare that:

1 the consolidated financial statements and notes, as set out on *pages 18 to 49*, 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 2016 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.

MINOTAUR EXPLORATION

Derek Carter
Chairman

Dated this 25th day of August 2016

Independent Auditor's

REPORT

to the Members of Minotaur Exploration Limited

MINOTAUR EXPLORATION

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINOTAUR EXPLORATION LIMITED

Report on the financial report

We have audited the accompanying financial report of Minotaur Exploration Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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*. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

a the financial report of Minotaur Exploration Limited is in accordance with the *Corporations Act 2001*, including:

  i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

  ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in directors' report for the year ended 30 June 2016. 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.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Minotaur Exploration Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Iain Kemp

I S Kemp
Partner – Audit & Assurance

Adelaide, 25 August 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

MINOTAUR EXPLORATION

Interests in Mining Tenements as at 30 September 2016

Lease ID	Lease Name	State	Holding Company	Minotaur Equity Equity Earned %	JV Partner
Border Joint Venture					
EL5831	Bonython Hill	SA	Minotaur Operations	47	Sumitomo Metal Mining Oceania 53%
EL5502	Collins Tank	SA	Minotaur Operations	47	Sumitomo Metal Mining Oceania 53%
EL4844	Mingary	SA	Minotaur Operations	47	Sumitomo Metal Mining Oceania 53%
EL5079	Mutooroo	SA	Minotaur Operations	47	Sumitomo Metal Mining Oceania 53%
EL5437	Woodville Dam	SA	Minotaur Operations	47	Sumitomo Metal Mining Oceania 53%
Cloncurry (Regional)					
EPM8608	Bendigo Park	QLD	Minotaur Operations	100	
EPM16975	Cattle Creek	QLD	Minotaur Operations	100	
EPM19530	Corella	QLD	Minotaur Operations	100	
EPM18861	Donaldson Well	QLD	Minotaur Operations	100	
MDL432	Eloise	QLD	Levuka Resources	40	Sandfire Resources 60%
EPM18068	Gidyea Bore	QLD	Minotaur Operations	100	
EPM19412	Middle Creek	QLD	Minotaur Operations	100	
EPMA26233	Route 66	QLD	Minotaur Operations	0	
EPM25889	Sedan	QLD	Minotaur Operations	100	
Corkwood Project					
EPM15633	Beefwood	QLD	Red Metal Limited	0	Red Metal Ltd
EPM13380	Corkwood	QLD	Red Metal Limited	0	Red Metal Ltd
EPM13376	Pelican Dam	QLD	Red Metal Limited	0	Red Metal Ltd
Eloise Joint Venture (OZ Minerals)					
MDL431§	Eloise	QLD	Levuka Resources	100	Sandfire Resources has 60% equity in portion of the tenement
EPM19500	Eloise North	QLD	Minotaur Operations	100	
EPM18442	Eloise Northwest	QLD	Levuka Resources	100	
EPM25389	Fullarton	QLD	Minotaur Operations	100	
EPM17838§	Levuka	QLD	Levuka Resources	100	Sandfire Resources has 60% equity in portion of the tenement
EPM25237	Levuka	QLD	Minotaur Operations	100	
EPM25801	Masai	QLD	Levuka Resources	100	
EPM18624	Oorindi Park	QLD	Minotaur Operations	100	
EPM25238	Saxby	QLD	Minotaur Operations	100	Sandfire Resources 60%
Osborne Joint Venture (JOGMEC)					
EPM18575	Carbo Creek	QLD	Minotaur Operations	100	
EPM18720	Cuckadoo	QLD	Minotaur Operations	100	
EPM25197	Hamilton	QLD	Minotaur Operations	100	
EPM25886	Hennes Bore	QLD	Minotaur Operations	100	
EPM25960	Jubilee	QLD	Minotaur Operations	100	
EPM19066	Lucia	QLD	Minotaur Operations	100	
EPM18574	Momedah Creek	QLD	Minotaur Operations	100	
EPMA26230	Nithsdale	QLD	Minotaur Operations	0	
EPM18576	Pathungra	QLD	Minotaur Operations	100	
EPM18571	Sandy Creek	QLD	Minotaur Operations	100	
EPM25888	Tripod Tank	QLD	Minotaur Operations	100	
EPM25699	Warburton Creek	QLD	Minotaur Operations	100	
EPM25856	Wilgunya	QLD	Minotaur Operations	100	
EPM19061	Windsor	QLD	Minotaur Operations	100	

Interests in Mining Tenements as at 30 September 2016

Lease ID	Lease Name	State	Holding Company	Minotaur Equity Equity Earned %	JV Partner
Victoria Copper Project					
EL5403	Lexington	VIC	Minotaur Operations	100	Stavely Minerals
EL5450	Roxborough	VIC	Minotaur Operations	100	Stavely Minerals
Industrial Minerals Project					
ELA2016/039	Acraman	SA	Minotaur Operations	0	
EL5095	Camel Lake	SA	Minotaur Operations	100	
ELA5502	Casterton South	VIC	Minotaur Industrial Minerals	0	
ELA2016/067	Coober Pedy	SA	BMV Properties	0	
ELA2016/096	Giddina Creek	SA	BMV Properties	0	
EL5395	Kyancutta	SA	Minotaur Operations	100	
EL5308	Mount Hall	SA	Minotaur Operations	100	
ELA2016/037	Narlaby	SA	Minotaur Operations	0	
ELA2016/095	Oolgelima	SA	BMV Properties	0	
EL5398	Sceales	SA	Minotaur Operations	100	
EL4575	Tootla	SA	Great Southern Kaolin	100	
EL5016	Whichelby	SA	Minotaur Operations	100	
EL5787	Yanerbie	SA	Minotaur Operations	100	
Gawler Ranges Project					
EL5711	Birthday Creek	SA	Minotaur Operations	100	
EL5743	Fairview	SA	Minotaur Operations	100	
EL5709	Glyde	SA	Minotaur Operations	100	
EL4776	Mt Double	SA	Minotaur Operations	100	
EL5708	Nuckulla	SA	Minotaur Operations	100	
EL5232	Peltabinna Hill	SA	Minotaur Operations	100	
EL5647	Pondanna	SA	Minotaur Operations	100	
EL5710	Waurea	SA	Minotaur Operations	100	
Scotia Project					
E 29/00661	Goongarrie 3	WA	Minotaur Gold Solutions	99	
M 24/00336	Goongarrie 6	WA	Minotaur Gold Solutions	99	
M 29/00245	Goongarrie 13	WA	Minotaur Gold Solutions	99	
M 29/00246	Goongarrie 14	WA	Minotaur Gold Solutions	99	
P 29/02121	Goongarrie 12	WA	Minotaur Gold Solutions	99	
Leinster Project					
E 36/235	Leinster 9	WA	Altia Resources	100	
E 37/909	Leinster 2	WA	Scotia Nickel	100	
M 36/475	Leinster 10	WA	Altia Resources	100	
M 36/548	Leinster 15	WA	Altia Resources	100	
M 37/877	Leinster 16	WA	Altia Resources	100	
M 37/7370	Leinster 5	WA	Scotia Nickel	100	
M 37/7371	Leinster 6	WA	Scotia Nickel	100	

MINOTAUR EXPLORATION

Interests in Mining Tenements as at 30 September 2016

Lease ID	Lease Name	State	Holding Company	Minotaur Equity Equity Earned %	JV Partner
Other Projects					
EL5542	Blinman	SA	Perilya	10	Perilya Ltd 90%, MEP 10% free carried to BFS completion
EL5117	Ediacara	SA	Perilya	10	Perilya Ltd 90%, MEP 10% free carried to BFS completion
ML4386	Third Plain	SA	Perilya	10	Perilya Ltd 90%, MEP 10% free carried to BFS completion
EL5723	Wilkawillina	SA	Perilya	10	Perilya Ltd 90%, MEP 10% free carried to BFS completion
EL4961*	Moonta	SA	Peninsula Resources	10	Peninsula Resources
EPM17061	Mt Osprey	QLD	Birla Mt Gordon	#22.9	Birla Mt Gordon
M15 1828	Spargos Reward	WA	Minex Australia, Corona Minerals	Ni 100%	
M15 395	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
M15 703	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
L15 128	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
L15 255	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
E15 967	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
E15 968	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	
P15 5860	West Kambalda	WA	Tychean Resources	Ni 100% +1.5% NSR	

Diluting interest

* = Portion only of tenement

Ni 100% = 100% interest in Nickel rights only

Ni 100% +1.5% NSR = 100% interest in Nickel rights and 1.5% NSR all other minerals

§ Sandfire Resources earning up to 80% interest in portion of the tenement

Shareholdings AS AT 23 SEPTEMBER 2016

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 23 September 2016.

Distribution of equity securities

Ordinary share capital

212,348,596 fully paid ordinary shares are held by 2,098 individual shareholders.

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

Options

17,975,797 listed options are held by 474 option holders.
26,979,048 unlisted options are held by 33 option holders.

The number of shareholders, by size of holding, in each class are:

	Fully paid ordinary shares	Listed Options	Unlisted Options
1 – 1,000	131	144	-
1,001 – 5,000	140	150	-
5,001 – 10,000	219	56	-
10,001 – 100,000	1,231	95	7
100,001 and over	377	29	26
	2,098	**474**	**33**
Holding less than a marketable parcel	**293**	**-**	**-**

Substantial shareholders

Ordinary shareholders	Fully paid Number	Percentage
Merrill Lynch (Australia) Nominees Pty Ltd	27,834,324	13.11%
Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C>	13,256,726	6.24%

TWENTY LARGEST HOLDERS OF QUOTED EQUITY SECURITIES	Fully Paid Ordinary Shares Number	Percentage
Merrill Lynch (Australia) Nominees Pty Ltd	27,834,324	13.11%
Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C>	13,256,726	6.24%
OZ Minerals Limited	8,041,670	3.79%
FMR Investments Pty Limited	2,872,303	1.35%
Sandfire Resources NL	2,608,695	1.23%
Miningnut Pty Ltd	2,200,000	1.04%
Dorica Nominees Pty Ltd	1,806,896	0.85%
Mr Peter Francis Hasenkam	1,754,896	0.83%
Mr Nicholas James Carter + Mrs Susan Mary Carter <Carter Family Super A/C>	1,688,396	0.80%
Mr Stephen Burns + Mrs Kellie Burns	1,600,000	0.75%
Mr David Norman Deitch	1,536,600	0.72%
Mr Robert Gemelli	1,510,572	0.71%
Romsup Pty Ltd <Romadak Super Fund A/C>	1,457,064	0.69%
Mr Nicholas Carter	1,185,095	0.56%
Mr Derek Northleigh Carter + Mrs Carlsa Joyce Carter	1,073,874	0.51%
Premier Logistics Services Pty Ltd	1,070,147	0.50%
Howarth Super Pty Ltd <Howarth Super Fund A/C>	1,030,000	0.49%
Chetan Enterprises Pty Ltd <Hedge Super Fund A/C>	1,000,000	0.47%
MBM Corporation Pty Ltd	1,000,000	0.47%
Mr Robert William Moses	1,000,000	0.47%
	75,527,258	**35.57%**

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