



Minotaur Exploration Limited

ABN 35 108 483 601

Interim Financial Report
for the Half Year Ended 31 December 2016



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Corporate Directory

DIRECTORS

Dr Antonio Belperio *Executive Director*

Mr Derek Carter *Chairman (Resigned 17 November 2016)* Mr Varis Lidums

Dr Roger Higgins *Chairman (Elected 31 January 2017) /
Non-Executive Director (Appointed 1 July 2016)*

Mr George McKenzie *Non-Executive Director
(Appointed 31 January 2017)*

Mr Andrew Woskett *Managing Director*

COMPANY SECRETARY

REGISTERED OFFICE

C/- 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 Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000

LEGAL ADVISERS

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

BANKERS

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

AUDITORS

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

Minotaur Exploration Limited

ACN: 108 483 601

ASX Code: MEP

www.minotaurexploration.com.au

Directors' Report

The directors of Minotaur Exploration Ltd ('Minotaur') present their Report together with the financial statements of the consolidated entity, being Minotaur Exploration Ltd ('the Company') and its controlled entities ('the Group') for the half year ended 31 December 2016 and the Independent Auditor's Review Report thereon.

Director Details

The following persons were directors of Minotaur during or since the end of the half year.

Dr Antonio Belperio, *Executive Director*
Mr Derek Carter, *Chairman (Resigned 17 November 2016)*
Dr Roger Higgins, *Chairman (Elected 31 January 2017) / Non-Executive Director (Appointed 1 July 2016)*
Mr George McKenzie, *Non-Executive Director (Appointed 31 January 2017)*
Mr Andrew Woskett, *Managing Director*

Review of Operations

Corporate

Market sentiment improved through 2016 as commodity prices rallied from their 2015 lows. Minotaur met its previously stated objective to end calendar 2016 with at least \$2.5 million in cash (actual cash was \$2.8 million) without any need to tap the equity markets for working capital through 2016.

Exploration expenditure of \$5.6 million continued Minotaur's pattern of out-performing its peers, due primarily to the strength of its joint venture funded projects, contributing 72% of overall exploration investment. Self-funded activity resulted in cash depletion of \$1.65 million through the year, reflecting Minotaur's co-investment in exploration around OZ Minerals' Prominent Hill mine in South Australia.

A board renewal process was implemented with non-executive director Dr Roger Higgins joining the Company on 1 July 2016 and slated to assume the mantle of non-executive Chairman in 2017, following Chairman Derek Carter's retirement on 17 November 2016.

Project Development

Industrial Minerals Project

A number of research projects on potential new uses for high halloysite kaolin continue. Testwork through University of Adelaide Chemical Engineering Department on kaolin admixtures in concrete provided very encouraging initial results. High halloysite kaolin additive resulted in a significant increase in the compressive strength of concrete compared to low halloysite kaolin and to conventional strengthening filler such as silica fume.

An initial JORC 2012 resource estimate for the Lake Purdilla gypsum deposits was published, lending support to the concept of an adjacent, integrated multi user port facility.

The Company was awarded PACE drilling support for an investigation of groundwater brines in palaeochannels in the western Gawler Ranges and Coober Pedy areas. The study will look for evaporative concentration and pathways of key elements including potassium, magnesium and lithium sulphates.

Additional ground has been applied for in the Coober Pedy area where sulphate evaporative residues have potential for conversion to sulphate of potash, a research and development focus for 2017.

Directors' Report

Exploration

Activity remained focused on copper-gold prospects in Queensland and South Australia.

Copper-gold opportunities in the Cloncurry region, north-west Queensland, continued to be assessed. The joint venture with JOGMEC over tenements around the Osborne mine south-east of Cloncurry saw several anomalies generated from on-ground EM geophysical surveys. These will be drill investigated in 2017.

At the Eloise copper project (MEP 100%) Minotaur and OZ Minerals Ltd entered into an earn-in agreement whereby OZ Minerals may earn up to 75% tenement interest in return for \$10 million of expenditure within 6 years. Through 2016 OZ Minerals invested \$2 million into the project. EM surveys and drill intersections just 5km from the operating Eloise copper-gold mine established the Iris-Electra system anomalism with strike extent of 2.7km, indicating potential for large bodies of sulphide rich mineralisation. With that encouragement the joint venture intends to expand the drilling footprint from April 2017.

At Scotia, 65km north-west of Kalgoorlie, Western Australia, an inaugural JORC 2012 resource was estimated for the Chameleon gold deposit. The project is considered non-core for Minotaur and an offer to purchase the tenement was accepted.

In South Australia a collaborative arrangement with OZ Minerals was put in place, allowing Minotaur to explore OZ Minerals' exploration tenements around the Prominent Hill copper mine. Minotaur is applying its knowledge gained from the Artemis and Iris iron sulphide copper-gold (ISCG) style discoveries near Cloncurry to structural settings in close proximity to the mine. Early results established 'proof of concept' that ISCG type mineralisation exists in the Prominent Hill area, in the form of pyrrhotite-chalcopyrite vein sets synchronous with late stage, brittle faults. The research work will continue into 2017.

Investments

Minotaur holds the following investments in ASX listed companies as at 31 December 2016:

Company	ASX Code	Shares held as at 31 Dec 2016	Minotaur %
Mithril Resources Ltd	MTH	31,178,572	4.54
Petratherm Ltd	PTR	2,170,000	2.16
Thompson Resources Ltd	TMZ	10,634,860	10.73

Minotaur also holds 86,309 shares in Chilean Metals Inc (CMX), a Canadian company listed on the TSXV.

The market value of the above investments at 31 December 2016 was \$1,030,744.

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 Belperio has a minimum of 5 years experience 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 Belperio consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Directors' Report

Auditor's Independence Declaration

The auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 7 for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the directors.



Andrew Woskett
Managing Director

Dated this 20th day of February 2017

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MINOTAUR EXPLORATION LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Minotaur Exploration Limited for the half-year ended 31 December 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 20 February 2017

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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2016

		Consolidated Group	
	Notes	31 December 2016 \$	31 December 2015 \$
Revenue		140,145	131,559
Other income		11,743	242,204
Impairment of exploration and evaluation assets	5/8	(567,321)	(9,358,536)
Impairment of available-for-sale investments	7	-	(5,944)
Project generation costs	5	(118,368)	(187,864)
Employee benefits expense		(506,660)	(239,239)
Depreciation expense		(75,104)	(92,771)
Finance costs		(627)	(1,262)
Other expenses		(455,560)	(465,800)
Loss before income tax expense		(1,571,752)	(9,977,653)
Income tax benefit		695,475	581,683
Loss for the period		(876,277)	(9,395,970)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Gain on available-for-sale investments		348,568	240,667
Total Comprehensive Income for the period		(527,709)	(9,155,303)
Loss for the period is attributable to:			
Members of the parent entity		(876,649)	(8,733,933)
Non-controlling interest	12	372	(662,037)
		(876,277)	(9,395,970)
Total comprehensive income for the period is attributable to:			
Members of the parent entity		(528,081)	(8,493,266)
Non-controlling interest		372	(662,037)
		(527,709)	(9,155,303)
Earnings per share			
Basic earnings per share (cents)		(0.41)	(4.71)
Diluted earnings per share (cents)		(0.41)	(4.71)

**Consolidated Statement of Financial Position
as at 31 December 2016**

		Consolidated Group	
		31 December	30 June
		2016	2016
Notes		\$	\$
CURRENT ASSETS			
	Cash and cash equivalents	2,821,976	4,471,763
	Trade and other receivables	41,065	34,431
	Other current assets	48,271	78,846
	TOTAL CURRENT ASSETS	2,911,312	4,585,040
NON-CURRENT ASSETS			
	Available-for-sale investments	7 1,030,744	636,971
	Property, plant and equipment	857,055	947,716
	Exploration and evaluation assets	8 10,791,397	10,217,052
	TOTAL NON-CURRENT ASSETS	12,679,196	11,801,739
	TOTAL ASSETS	15,590,508	16,386,780
CURRENT LIABILITIES			
	Trade and other payables	9 587,458	1,298,599
	Borrowings	10,149	14,933
	Short-term provisions	519,710	500,084
	TOTAL CURRENT LAIBILITIES	1,117,317	1,813,616
NON-CURRENT LIABILITIES			
	Borrowings	392,000	394,574
	Long-term provisions	51,877	41,067
	TOTAL NON-CURRENT LIABILITIES	443,877	435,641
	TOTAL LIABILITIES	1,561,194	2,249,258
	NET ASSETS	14,029,314	14,137,522
EQUITY			
	Issued capital	10 42,934,728	42,930,982
	Reserves	11 1,735,190	1,044,644
	Accumulated losses	(30,643,258)	(29,842,301)
	PARENT INTEREST	14,026,660	14,133,325
	Non-controlling interest	12 2,654	4,197
	TOTAL EQUITY	14,029,314	14,137,522

**Consolidated Statement of Changes in Equity
 for the half year ended 31 December 2016**

	Consolidated Group					
	Issued Capital Ordinary \$	Share Option Reserve \$	Other Components of Equity (Note 11) \$	Accumulated Losses \$	Non- Controlling Interest \$	Total Equity \$
Balance at 1 July 2016	42,930,982	836,498	208,146	(29,842,301)	4,197	14,137,522
<i>Comprehensive income</i>						
Total comprehensive income for the period	-	-	348,568	(876,649)	372	(527,709)
Total comprehensive income for the period	-	-	348,568	(876,649)	372	(527,709)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Issue of shares through exercise of listed options	3,746	-	-	-	-	3,746
Options issued to Directors of the Company	-	306,475	-	-	-	306,475
Options issued under Employee Share Option Plan	-	109,280	-	-	-	109,280
Adjustment upon increase in ownership percentage in controlled entity	-	-	-	1,915	(1,915)	-
Transfer from share option reserve upon lapse of options	-	(73,777)	-	73,777	-	-
	3,746	341,978	-	75,692	(1,915)	419,501
Balance at 31 December 2016	42,934,728	1,178,476	556,714	(30,643,258)	2,654	14,029,314

Consolidated Statement of Changes in Equity (Continued)
for the half year ended 31 December 2016

	Consolidated Group					
	Issued Capital Ordinary \$	Share Option Reserve \$	Other Components of Equity \$	Accumulated Losses \$	Non- Controlling Interest \$	Total Equity \$
Balance at 1 July 2015	40,781,387	1,024,418	-	(18,975,019)	184,472	23,015,258
<i>Comprehensive income</i>						
Total comprehensive income for the period	-	-	240,667	(8,733,933)	(662,037)	(9,155,303)
Total comprehensive income for the period	-	-	240,667	(8,733,933)	(662,037)	(9,155,303)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>						
Issue of shares through Share Placement	1,574,980	-	-	-	-	1,574,980
Transaction costs (net of tax)	(99,813)	-	-	-	-	(99,813)
Conversion of non-controlling interest loan to equity in controlled entity	-	-	-	-	514,906	514,906
Adjustment upon increase in ownership percentage in controlled entity	-	-	-	83,033	(83,033)	-
Transfer from share option reserve upon lapse of options	-	(100,069)	-	100,069	-	-
	1,475,167	(100,069)	-	183,102	431,873	1,990,073
Balance at 31 December 2015	42,256,554	924,349	240,667	(27,525,850)	(45,692)	15,850,028

**Consolidated Statement of Cash Flows
for the half year ended 31 December 2016**

	Consolidated Group	
	31 December 2016 \$	31 December 2015 \$
Cash flows from operating activities		
Payments to suppliers and employees	(709,211)	(670,843)
Interest received	23,147	30,772
Finance costs	(421)	(990)
R&D tax incentive received	695,475	988,076
Net cash provided by/(used in) operating activities	8,990	347,015
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	38,182
Payments for property, plant and equipment	(2,238)	(3,815)
Proceeds from sale of available-for-sale investments	-	637,211
Payments for available-for-sale investments	(33,461)	(75,000)
Payment for Scotia Project Gold JV interest	-	(50,000)
Joint Venture receipts	1,501,347	761,574
PACE funding received	-	17,820
Payment for exploration activities	(3,120,813)	(2,612,021)
Net cash used in investing activities	(1,655,165)	(1,286,049)
Cash flows from financing activities		
Proceeds from the issue of shares	3,746	1,574,980
Funds received for conversion into equity in controlled entity	-	152,653
Payment of transaction costs for issue of shares	-	(31,069)
Repayment of borrowings	(7,358)	(6,789)
Net cash provided by financing activities	(3,612)	1,689,775
Net increase/(decrease) in cash and cash equivalents	(1,649,787)	750,741
Cash at the beginning of period	4,471,763	4,163,979
Cash at the end of the period	2,821,976	4,914,720

Notes to the Consolidated Financial Statements

Note 1: Nature of operations

The Group's principal activities are to carry out exploration of mineral tenements, to continue to seek extensions of areas held and to seek out new areas with mineral potential and to evaluate results achieved through surface sampling, geophysical surveys and drilling activities.

Note 2: General information and basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2016 and are presented in Australian dollars (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2016 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*. Minotaur is a for profit entity for the purposes of preparing these financial statements.

The interim financial statements have been approved and authorised for issue by the board of directors on 20 February 2017.

Note 3: Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2016.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Note 4: Estimates

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2016.

Notes to the Consolidated Financial Statements

Note 5: Significant events and transactions

During the period, the Group ceased exploring on and reviewed the carrying value of several exploration tenements and, as a result, these tenements held as exploration and evaluation assets were written-off. The total amount of these write-downs for the period were \$567,321.

Project generation costs incurred during the period totaling \$118,368 that do not meet the definition of exploration costs have been immediately expensed.

Note 6: 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.

	Consolidated Group	
	31 December	30 June
	2016	2016
	\$	\$
Note 7: Available-for-sale investments		
At fair value – shares in listed companies:		
Balance at beginning of financial year	636,971	839,083
Revaluations	348,568	208,146
Disposals	-	(503,858)
Acquisitions	45,205	103,328
Impairments	-	(9,728)
	1,030,744	636,971
Note 8: Exploration and evaluation assets		
Exploration, evaluation and development costs carried forward in respect of mining areas of interest:		
Exploration and evaluation phases – Joint Operations	6,373,959	6,322,354
Exploration and evaluation phases – Other	4,417,438	3,894,698
	10,791,397	10,217,052

Notes to the Consolidated Financial Statements

Note 8: Exploration and evaluation assets (Continued)

Capitalised tenement expenditure movement reconciliation – Consolidated Group:

	Exploration Joint Operations \$	Exploration Other \$	Total \$
Balance at beginning of financial year	6,322,354	3,894,698	10,217,052
Additions through expenditure capitalised	2,025,132	1,072,983	3,098,115
Reductions through joint operation contributions	(1,956,449)	-	(1,956,449)
Impairment expense	(17,078)	(550,243)	(567,321)
Balance at the end of the period	6,373,959	4,417,438	10,791,397

	Consolidated Group	
	31 December 2016 \$	30 June 2016 \$
Note 9: Trade and other payables		
Trade payables	385,693	450,687
Joint operation income received in advance	154,302	608,312
Other payables	47,463	239,600
	587,458	1,298,599
Note 10: Issued capital		
212,383,758 (June 2016: 212,344,322) fully paid ordinary shares	42,934,728	42,930,982
	42,934,728	42,930,982

The following is an analysis of Minotaur's fully paid ordinary shares for the half year ended 31 December 2016:

	Number of Shares	\$
Balance at beginning of financial year	212,344,322	42,930,982
Issue of shares through exercise of listed options	39,436	3,746
Closing balance at end of period	212,383,758	42,934,728

Notes to the Consolidated Financial Statements

Note 11: Other components of equity	Consolidated Group	
	31 December	30 June
	2016	2016
	\$	\$
Share option reserve (a)	1,178,476	836,498
Available-for-sale revaluation reserve (b)	556,714	208,146
	1,735,190	1,044,644
(a) Share option reserve		
Balance at beginning of financial year	836,498	1,024,418
Options issued under Employee Share Option Plan	109,280	-
Options issued to Directors of the Company	306,475	-
Transfer to accumulated losses upon lapse of options	(73,777)	(187,920)
	1,178,476	836,498
(b) Available-for-sale revaluation reserve		
Balance at beginning of financial year	208,146	-
Revaluation increment	348,568	208,146
	556,714	208,146

During the period unlisted share options were issued to employees and directors of the Company under the following terms and conditions:

	Number of Options Issued	Exercise Price	Expiry Date
Unlisted Options issued under Employee Share Option Plan	2,685,000	\$0.115	06/09/2021
Unlisted Options issued to Directors of the Company	10,250,000	\$0.250	17/11/2019

All options listed above issued to employees and directors of the Company during the period are exercisable at the date the options are issued.

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

Notes to the Consolidated Financial Statements

Note 11: Other components of equity (Continued)

The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The valuation inputs used in determining the fair value at grant date were as follows:

	Options issued under ESOP	Options issued to Directors
Share price at grant date:	\$0.080	\$0.095
Expected volatility:	70%	83%
Risk free rate:	2%	2%
Fair value at grant date:	\$0.041	\$030

	Consolidated Group	
	31 December 2016 \$	30 June 2016 \$
Note 12: Non-controlling interest		
Balance at beginning of financial year	4,197	184,472
Conversion of non-controlling interest loan to equity in controlled entity	-	514,906
Adjustment upon increase in ownership percentage by controlling entity	(1,915)	(26,840)
Net profit/(loss) attributable to non-controlling interest	372	(668,341)
	2,654	4,197

On 30 September 2016, an intercompany loan of \$268,029 was converted to share capital. This has resulted in Minotaur's share holding percentage in Minotaur Gold Solutions Ltd increasing to 99%.

Note 13: Fair value measurement of financial instruments

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, 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 (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements

Note 13: Fair value measurement of financial instruments (Continued)

The Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2016 and 30 June 2016 on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2016				
<i>Assets</i>				
Listed securities	1,030,744	-	-	1,030,744
Net fair value	1,030,744	-	-	1,030,744

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2016				
<i>Assets</i>				
Listed securities	636,971	-	-	636,971
Net fair value	636,971	-	-	636,971

Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Listed securities

Fair values have been determined by reference to their quoted bid prices at the reporting date.

Fair value of other financial assets and financial liabilities

The carrying amounts of other current and non-current receivables and payables are considered to be a reasonable approximation of their fair value.

Note 14: Contingent assets and liabilities

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 Group has established various bank guarantees in place with a number of State Governments in Australia, totaling \$177,200 at 31 December 2016 (June 2016: \$177,200). 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.

Notes to the Consolidated Financial Statements

Note 15: Controlled entities

Name of entity	Country of incorporation	Ownership interest	
		31 Dec 2016 %	30 June 2016 %
<i>Parent entity</i>			
Minotaur Exploration Limited (i)	Australia		
<i>Subsidiaries</i>			
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	99	73

- i) Minotaur Exploration Limited is the head entity within the tax consolidated group.
 ii) These companies are members of the tax consolidated group.

Note 16: Post-reporting date events

No matter or circumstance has arisen since 31 December 2016 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future.

Directors' Declaration

1. In the opinion of the directors of Minotaur Exploration Ltd:
 - a) the consolidated financial statements and notes of Minotaur Exploration Ltd are in accordance with the *Corporations Act 2001*, including
 - i) giving a true and fair view of its financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
 - ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting*, and;
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Andrew Woskett
Managing Director

Dated this 20th day of February 2017

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

We have reviewed the accompanying half-year financial report of Minotaur Exploration Limited (the Company), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

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

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

Independence

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

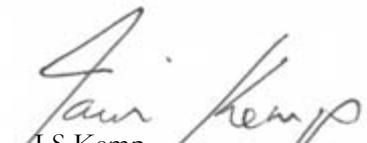
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Minotaur Exploration Limited is not in accordance with the *Corporations Act 2001*, including:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 20 February 2017