MINERA GOLD LIMITED (ACN 117 790 897)
(Subject to Deed Of Company Arrangement)

Financial Report

Half year report for the six months ended 30 June 2015

Corporate Directory

Administrators

Martin Jones (appointed on 25 August 2015)

Wayne Rushton (appointed on 30 June 2016)

Registered Office & Principal Place of Business

c/- Ferrier Hodgson
Level 28, 108 St Georges Terrace
Perth
Western Australia 6000

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Share Registry

Security Transfer Registrars Pty Limited
770 Canning Highway
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Telephone +61 8 9315 2333

Auditors

Stantons International
Level 2, 1 Walker Avenue
West Perth
Western Australia 6005

ASX Code

MIZ
MIZOA

Australian Company Number

ACN 117 790 897

Australian Business Number

ABN 97 117 790 897

Contents

Deed Administrators' Report

The Deed Administrators of Minera Gold Limited (Subject to Deed of Company Arrangement) (the Company) present their report together with the financial report of the Company and of the Group (being the Company and its subsidiaries) for the financial half-year ended 30 June 2015 and the auditor's report. The use of the words Company and Group are interchangeable for the purposes of this report and the financial report.

Messrs Martin Jones and Darren Weaver were appointed as voluntary administrators of the Company on 25 August 2015 pursuant to section 436A of the Corporations Act 2001 (Cth).

On 8 October 2015, the creditors of the Company resolved to enter into a deed of company arrangement (DOCA) to give effect to a proposed restructure and recapitalisation. Martin Jones and Darren Weaver were appointed joint and several deed administrators upon execution of the DOCA on 15 October 2015. On or about 19 November 2015 the DOCA failed to be implemented.

On or about 18 December 2015 Darren Weaver retired as deed administrator.

Following further negotiations with the DOCA proponent, Andina Resources Limited (Andina), creditors resolved to vary the DOCA executed on 15 October 2015 at a meeting of creditors held pursuant to section 445F of the Act on 9 June 2016. At this meeting, creditors also resolved to appoint Wayne Rushton as a joint and several deed administrator.

The varied DOCA was executed on 30 June 2016 and Messrs Wayne Rushton and Martin Jones were appointed joint and several deed administrators.

1. Directors' Information

The directors and company secretary of the Company at any time during or since the appointment of administrators were as follows:

1.1. Directors and Company Secretary

Nicholas Rowley – appointed as a director on 9 August 2016, current.
Tim Morrison – appointed as a director on 10 August 2016, current.
Zane Lewis – appointed as company secretary on 11 August 2016, current.
Ismael Benavides – appointed as a director on 28 May 2015, resigned as a director on 15 August 2016
Ashley Pattison – appointed as a director on 28 May 2015, resigned as a director on 26 October 2015.
Angeline Hicks – appointed as company secretary on 2 April 2012 and as a director on 8 April 2015, resigned as director and company secretary on 26 October 2015.
Matthew Carr – appointed as director and company secretary on 26 October 2015, resigned as a director and company secretary on 23 November 2015.
Nicholas Rowley – appointed as a director on 26 October 2015, resigned as a director on 1 December 2015.
Bradley Valiukas – appointed as a director on 9 November 2015, resigned as a director on 10 December 2015.

1.2. Directors' Meetings

No meeting of the directors of the Company have been held since the appointment of administrators.

1.3. Corporate Governance

On 25 August 2015 Martin Jones and Darren Weaver were appointed as voluntary administrators as the directors formed the view that the Company could not meet its obligations as they fell due.

The Company's previous Board was not able to perform a formal review of its process and procedures for 2015 and it is not possible for the Company to produce a Corporate Governance Statement relating to that period.

2. Principal Activities

The Group's principal activities during the course of the financial year were owner and operator of a gold and copper toll processing plant in Peru (San Santiago), including the ownership of copper and gold exploration concessions and development and production of a portfolio of medium sized gold projects in South America, with a primary focus on Peru.

Since the appointment of administrators, the in-country secured lenders of the Company's Peruvian subsidiaries have provided direct interim funding to the Peruvian subsidiaries where required. The San Santiago processing plant has recently been processing third party ore and has been operating at breakeven cash position. Given the administrators unfunded position, the administrators continue not to exercise any direct control over the Peruvian subsidiaries.

3. Operating and Financial Review

The loss of the Group for the half-year ended 30 June 2015 amounted to $4.221 million (30 June 2014: loss $2.988 million).

4. Share Options

As at the date of appointment of administrators, the Company had 608,814,584 options on issue. It is proposed under the DOCA executed on 30 June 2016 that the number of options on issue be reorganised in accordance with ASX Listing Rule 7.22; i.e. the options will be consolidated on a 350:1 ratio as the ordinary capital of the Company is proposed to be, and the exercise price must be amended in inverse proportion to that ratio.

5. Indemnification and Insurance of Officers

No indemnities have been given during or since the appointment of administrators for any person who is or has been an officer or auditor of the Group. No insurance premiums have been paid since the appointment of administrators in respect of any directors' and officers' insurance.

6. Events Subsequent to Reporting Date

There has not been any matter or circumstance, except for those matters referred to in Note 14 to the Financial Statements or noted above, that have arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the Group, the results of the operations, or the state of the affairs of the Group in the future financial years.

> *Subsequent to period end, the company entered into voluntary administration. The balances, whilst represented in this half year financial report have been presented as at that date (30 June 2015), have changed significantly upon the company entering into voluntary administration. Accordingly, assets and liabilities as stated in the balance sheet have been restated on a liquidation basis as at 31 December 2015, and differ significantly to the balances presented in this financial report.

Following the failure of the initial DOCA executed on 15 October 2015 to complete, the deed administrators held ongoing discussions with Andina and creditors of the Company to formulate a varied restructuring and recapitalisation proposal that would be capable of implementation.

A number of reconvened creditor meetings were held pursuant to section 445F of the Act and at the reconvened meeting held on 9 June 2016, creditors resolved in favour of the current varied DOCA proposal (Varied DOCA).

The relevant documents in respect of the Varied DOCA were executed on 30 June 2016 and Messrs Wayne Rushton and Martin Jones were confirmed as joint and several deed administrators.

7. Business Risks and Uncertainties

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company. These include the risks discussed in note 14 of the consolidated financial statements, along with risks that are widespread and associated with any form of business and specific risks associated with the Company's business and its involvement in the exploration and mining industry generally and in Peru in particular. While most risk factors are largely beyond the control of the Company, the Company will seek to mitigate the risks where possible.

Company Restructure / Recapitalisation

There can be no assurance that the Company will be successful with the proposed recapitalisation contemplated under the Varied DOCA.

The proposed recapitalisation includes a number of conditions precedent to become effectuated, including (but not limited to):

- The Company's shareholders approving all the resolutions required to effect the restructuring proposal.
- Confirmation to the satisfaction of the ASX that the Company retains its interest in the San Santiago Plant and has full and unfettered access to and can operate the San Santiago Plant.
- A legal opinion, from a reputable independent law firm attesting (to the satisfaction of the ASX) to the legal ownership by the Company of the DYC entities which comprise the San Santiago plant.
- Confirmation in a form acceptable to the ASX that the Company has received cleared funds for the complete amount of the issue price of every security allotted and issued to every successful applicant for securities under the Capital Raising under the Prospectus.

8. Incomplete Records

As this report has been prepared after the company entered into voluntary administration, the financial information relating to the 30 June 2015 half-year financial report was not subject to the same accounting and internal control processes, which include the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report.

To prepare the financial report, the Administrators have reconstructed the financial records of the Group using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment.

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

9. Rounding

The Company is of a kind referred to in ASIC Instrument 2016/91 dated 24 March 2016 and in accordance with that Instrument, amounts in the financial report and the Deed Administrators' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

10. Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 5 and forms part of the Deed Administrators' Report for the financial half-year ended 30 June 2015.

Dated at Perth this 23 day of August 2016
Signed by Wayne Rushton in his capacity as Deed Administrator

Wayne Rushton

Competent Person's Statement

The information in this report that relates to Mining and Mineral Exploration Results and Resources at Torrecillas and Tumi Projects is based on information compiled and reviewed by Dr Alex Losada-Calderon, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Losada-Calderon is employed by TAE Resources Pty Ltd, who acts as consulting geologist to Minera Gold Limited (Subject to deed of Company Arrangement). Dr Losada-Calderon has sufficient experience which is relevant to the style of mineralisation and the type of deposits 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 Losada-Calderon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This document (**Document**) is provided on the basis that neither of Minera Gold Limited ACN 117 790 897 (**Minera Gold**)(Subject to deed of Company Arrangement) nor its respective officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives and advisers make any representation or warranty (express or implied) as to the origin, validity, accuracy, reliability, relevance, currency or completeness of the material contained in the Document and no responsibility is taken for any errors or omissions. Nothing contained in the Document is, or may be relied upon as, a promise, representation or warranty, whether as to the past or the future. Minera Gold (Subject to deed of Company Arrangement) excludes all warranties (including implied warranties) and all liability that can be excluded by law for any loss, claim, damage, cost or expense of any nature arising out of the Document (or any accompanying or other information) whatsoever, nor by reason of any reliance upon it. Minera Gold (Subject to deed of Company Arrangement) does not accept any responsibility to update any person regarding any inaccuracy, omission or change in information in this Document or any other information made available to a person nor any obligation to furnish the person with any further information, other than to the extent required by law.

The Document may contain prospective financial material which is predictive in nature and based on certain assumptions. Accordingly, actual financial results may be affected by assumptions which prove to be inaccurate or by known or unknown risks and uncertainties, and are likely to differ, possibly materially, from results ultimately achieved. The Document may contain "forward-looking statements". All statements other than those of historical facts included in the Document are forward-looking statements including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales; (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to gold and other metals prices; (v) estimates of future capital expenditures; and (vi) estimates of reserves, and statements regarding future exploration results and the replacement of reserves. Where Minera Gold (Subject to deed of Company Arrangement) expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade, recovery rates or other matters from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. Minera Gold (Subject to deed of Company Arrangement) does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of the Document, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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23 August 2016

The Deed Administrators
Minera Gold Limited (Subject to a Deed of company Arrangement)
c/- Ferrier Hodgson
Level 28, 108 St Georges Terrace
Perth, WA 6000

Dear Sirs

RE: MINERA GOLD LIMITED (SUBJECT TO A DEED OF COMPANY ARRANGEMENT)

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the deed administrators of Minera Gold Limited (Subject to a Deed of Company Arrangement).

As Audit Director for the review of the financial statements of Minera Gold Limited (Subject to a Deed of Company Arrangement) for the half year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

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**QUALIFIED INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MINERA GOLD LIMITED (SUBJECT TO A DEED OF COMPANY ARRANGEMENT)**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Minera Gold Limited (Subject to a Deed of Company Arrangement), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the deed administrators' declaration, for Minera Gold Limited (Subject to a Deed of Company Arrangement) (the consolidated entity). The consolidated entity comprises both Minera Gold Limited (Subject to a Deed of Company Arrangement) (the Company) and the entities it controlled during the half year.

Deed Administrators' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2015 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 Minera Gold Limited (Subject to a Deed of Company Arrangement), ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the deed administrators of Minera Gold Limited (Subject to a Deed of Company Arrangement) on 23 August 2016.

Basis for Disclaimer of Auditor's Review Conclusion

The company was placed into voluntary administration on 25 August 2015. Consequently, as the former management and former directors of the Company were not present when compiling the financial statements, the collation of the financial information relating to the period under review was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

As stated in Note 2, the deed administrators are unable to state that the financial report is in accordance with all the requirements of the *Corporations Act 2001* and the Australian Accounting Standards.

Disclaimer of Auditor's Review Conclusion

Based on our review, which is not an audit, and because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Review Conclusion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, a conclusion as to whether the financial report of Minera Gold Limited (Subject to a Deed of Company Arrangement) 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 2015 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
23 August 2016

Deed Administrators' Declaration

This Report and the financial information relates to a period prior to the Administrators' appointment and by necessity the Administrators have had to rely upon the books and records of Minera Gold Limited (Subject to Deed of Company Arrangement) and its subsidiaries, its staff and external service providers in this Report and the financial accounts. All due care has been taken in preparing the Report and financial information however the Administrators cannot give any warranties in relation to the information in this Report.

Subject to the previous paragraph and as set out in note 2 to the consolidated financial statements, in the opinion of the Administrators of Minera Gold Limited (Subject to Deed of Company Arrangement):

(a) Although the Administrators have taken all due care in preparing the Report and the financial statements to the best of their knowledge based on the information given to them, they are of the opinion that it is not possible to state that the consolidated financial statements, notes thereto, are in accordance with the Corporations Act 2001, including as to whether the Report:

   (i) gives a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 June 2015 and of their financial performance for the year ended on that date; and

   (ii) complies with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001.

(b) As at the date of this Report, the Administrators do not have reasonable grounds to believe that the Company can pay its debts as and when they become due and payable, subject to the successful implementation of the Deed of Company Arrangement. That is, should the Deed of Company Arrangement be effectuated there is a likelihood that the Company may be in a position to pay its debts as and when they become due and payable.

This report is made in accordance with a resolution of the Administrators of Minera Gold Limited (Subject to Deed of Company Arrangement).

Dated at Perth this 23 day of August 2016
Signed by Wayne Rushton in his capacity as Deed Administrator

Wayne Rushton

Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the half year ended 30 June 2015

	Note	Consolidated Half-year ended 30 June 2015 $'000s	30 June 2014 $'000s
CONTINUING OPERATIONS			
Revenue	5a	877	528
SilverStream gold streaming fee	5a	-	5
Cost of sales		(1,669)	(752)
Gross loss		(792)	(219)
Other revenue	5a	1	3
Occupancy expenses		(30)	(129)
Employee benefits expense	5b	(704)	(489)
Depreciation and amortisation charges	5b	(244)	(150)
Administration expenses		(1,017)	(772)
Finance costs	5b	(951)	(1,211)
Other expenses		(484)	(21)
(LOSS) BEFORE INCOME TAX EXPENSE		(4,221)	(2,988)
Income tax expense		-	-
(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**(4,221)**	**(2,988)**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		1,219	(1,210)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		1,219	(1,210)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(3,002)**	**(4,198)**
EARNINGS PER SHARE			
Basic earnings per share			
From continuing operations		(0.14)	(0.35)
Diluted earnings per share			
From continuing operations		(0.14)	(0.35)

Notes to the condensed consolidated financial statements are included on pages 13 to 36.

Condensed Consolidated Statement of Financial Position

As at 30 June 2015

	Note	Consolidated 30 June 2015 $'000s	Consolidated 31 December 2014 $'000s
CURRENT ASSETS			
Cash and cash equivalents	6	79	424
Trade and other receivables		1,654	2,105
Prepayments		134	6
Inventories		497	464
TOTAL CURRENT ASSETS		2,364	2,989
NON-CURRENT ASSETS			
Property, plant and equipment		2,715	2,869
Mine assets		23,768	22,577
Deferred exploration and evaluation expenditure		830	741
Investment in joint venture		-	-
TOTAL NON-CURRENT ASSETS		27,313	26,187
TOTAL ASSETS		29,677	29,176
CURRENT LIABILITIES			
Trade and other payables		7,926	7,526
Other liability	8	5,948	1,205
Borrowings	7	8,542	4,123
Provisions		361	230
TOTAL CURRENT LIABILITIES		22,777	13,084
NON-CURRENT LIABILITIES			
Other liability	8	-	5,507
Borrowings	7	-	1,799
Deferred tax liability		2,420	2,223
Provisions		-	292
TOTAL NON-CURRENT LIABILITIES		2,420	9,821
TOTAL LIABILITIES		25,197	22,905
NET ASSETS		**4,480**	**6,271**
EQUITY			
Issued capital	9	78,612	77,554
Reserves		3,435	2,063
Accumulated losses		(77,567)	(73,346)
TOTAL EQUITY		4,480	6,271

Notes to the condensed consolidated financial statements are included on pages 13 to 36.

Condensed Consolidated Statement of Changes in Equity

For the half year ended 30 June 2015

	Issued Capital $'000s	Other Reserve $'000s	Share Based Payment Reserve $'000s	Foreign Currency Translation Reserve $'000s	Accumulated Losses $'000s	Total Equity $'000s
Balance as at 1 January 2014	**69,083**	**-**	**2,503**	**(4)**	**(64,388)**	**7,194**
(Loss) for the period	-	-	-	-	(2,988)	(2,988)
Other comprehensive income for the period, net of income tax	-	-	-	(1,210)	-	(1,210)
Total comprehensive income for the period	**-**	**-**	**-**	**(1,210)**	**(2,988)**	**(4,198)**
Issue of shares on conversion of Lind convertible debt	165	-	-	-	-	165
Issue of shares on conversion of convertible notes	2,788	-	-	-	-	2,788
Issue of shares in lieu of cash payment	23	-	-	-	-	23
Recognition of share-based payments	-	-	120	-	-	120
Balance at 30 June 2014	**72,059**	**-**	**2,623**	**(1,214)**	**(67,376)**	**6,092**
Balance as at 1 January 2015	**77,554**	**-**	**2,668**	**(605)**	**(73,346)**	**6,271**
Loss for the period	-	-	-	-	(4,221)	(4,221)
Other comprehensive income for the period, net of income tax	-	-	-	1,219	-	1,219
Total comprehensive income for the period	**-**	**-**	**-**	**1,219**	**(4,221)**	**(3,002)**
Capital raising costs	(122)	-	-	-	-	(122)
Issue of shares on conversion of convertible note principal	646	-	-	-	-	646
Issue of shares on conversion of convertible note interest	52	-	-	-	-	52
Issue of shares in lieu of cash payment	482	-	-	-	-	482
Issue of quoted options to financiers and brokers	-	-	153	-	-	153
Balance at 30 June 2015	**78,612**	**-**	**2,821**	**614**	**(77,567)**	**4,480**

Notes to the condensed consolidated financial statements are included on pages 13 to 36.

Condensed Consolidated Cash Flow Statement

For the half year ended 30 June 2015

		Consolidated Half-year ended	
	Note	30 June 2015 $'000s	30 June 2014 $'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold sales		917	599
Receipt on gold streaming agreement		-	1,719
Payments to suppliers and employees		(2,997)	(2,789)
Interest and other costs of finance paid		(51)	(88)
Taxation costs paid		(174)	-
NET CASH USED IN OPERATING ACTIVITIES		(2,305)	(559)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(22)	(376)
Payments of exploration and evaluation costs		(148)	-
Payment for mine assets		-	(117)
Interest received		1	3
NET CASH USED IN INVESTING ACTIVITIES		(169)	(490)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Proceeds from borrowings		2,004	2,531
Repayment of borrowings		(272)	(1,123)
Finance costs		-	(276)
Return of escrow on San Santiago investment		642	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		2,374	1,132
Net decrease in cash and cash equivalents		(100)	83
Cash and cash equivalents at the beginning of the period		414	315
Effects of exchange rate changes on the balance of cash held in foreign currencies		(235)	26
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	79	424

Notes to the condensed consolidated financial statements are included on pages 13 to 36.

Notes to the Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

Minera Gold Limited (Subject to Deed of Company Arrangement) is a for-profit listed public company, incorporated in Australia and operates in Australia (corporate office) and in South America. The registered office is located at c/- Ferrier Hodgson, Level 28, 108 St Georges Terrace, Perth, 6000, Western Australia.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 "Interim Financial Reporting". The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue by the Deed Administrators on 23 August 2016.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars unless otherwise noted. The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts are rounded off to the nearest thousand dollars, unless otherwise indicated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Critical accounting judgements and key sources of estimation uncertainty

In the application of AIFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to Note 3 for a discussion of critical judgements in applying the entity's accounting policies and key sources of estimation uncertainty.

Adoption of new and revised accounting standards

The financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year end 31 December 2014. The accounting policies have been applied consistently throughout the Group for the purposes of preparing these financial statements.

Incomplete Records

As this report has been prepared after the company entered into voluntary administration, the financial information relating to the 30 June 2015 half year financial report was not subject to the same accounting and internal control processes, which include the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report.

To prepare the financial report, the Administrators have reconstructed the financial records of Minera Gold Limited (Subject to Deed of Company Arrangement) using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and relied on information provided by in-country management of its subsidiaries for the period from their appointment.

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

Going Concern

The Administrators have prepared the financial report of the consolidated entity on a going concern basis which contemplates the continuity of normal business activity and realisation of assets and settlement of liabilities in the normal course of business.

The Company was suspended from trading on ASX on 25 August 2015 at its request. On 25 August 2015, Martin Jones and Darren Weaver of Ferrier Hodgson were appointed as joint and several Administrators of the Company and assumed control of the Company and its business, property and affairs. At the creditors meeting on 8 October 2015, the creditors resolved the Company (MIZ) executes a Deed of Company Arrangement (“DOCA”) as proposed by Andina Resources Limited (“Andina”) under Part 5.3A of the Corporations Act. The DOCA was subsequently executed on 15 October 2015.

On or about 19 November 2015 the DOCA failed to be implemented.

On or about 18 December 2015 Darren Weaver retired as deed administrator.

Following further negotiations with the DOCA proponent, Andina Resources Limited (Andina), creditors resolved to vary the DOCA executed on 15 October 2015 at a meeting of creditors held pursuant to section 445F of the Act on 9 June 2016. At this meeting, creditors also resolved to appoint Wayne Rushton as a joint and several deed administrator.

The varied DOCA was executed on 30 June 2016 and Messrs Wayne Rushton and Martin Jones were appointed joint and several deed administrators.

There can be no assurance that the Company will be successful with the proposed recapitalisation contemplated under the varied DOCA executed on 30 June 2016.

The proposed recapitalisation includes a number of conditions precedent to become effectuated, including (but not limited to):

- The Company’s shareholders approving all the resolutions required to effect the restructuring proposal.
- Confirmation to the satisfaction of the ASX that the Company retains its interest in the San Santiago Plant and has full and unfettered access to and can operate the San Santiago Plant.
- A legal opinion, from a reputable independent law firm attesting (to the satisfaction of the ASX) to the legal ownership by the Company of the DYC entities which comprise the San Santiago plant.
- Confirmation in a form acceptable to the ASX that the Company has received cleared funds for the complete amount of the issue price of every security allotted and issued to every successful applicant for securities under the Capital Raising under the Prospectus.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect those returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary as the date when control is lost, is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Significant Accounting Policies

The following significant policies have been adopted in the preparation of the Financial Report:

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sale of goods

Revenue from sales of mineral production and toll treatment is recognised when there has been a passing of the significant risks and rewards of ownership, which means the following:

- The product is in a form suitable for delivery and no further processing is required by or on behalf of the consolidated entity;
- The quantity and quality (grade) of the product can be determined with reasonable accuracy;
- The product has been despatched to the customer and is no longer under the physical control of the consolidated entity;
- The selling price can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the consolidated entity; and
- The costs incurred, or expected to be incurred, in respect of the transaction can be measured reliably.

(b) Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

***(d)* Inventory**

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location but excludes overheads. Cost is accounted for as follows:

- *Bullion* - average fixed direct costs and variable direct costs.
- *Gold in circuit* - average cost.
- *Stores - p*urchase cost on a first in first out cost method.
- *Ore stockpiles* - cost of mining on an average cost method.
- *Work in progress - cost of mining and processing at an average cost method.*

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value commencing from the date the asset is available for use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Depreciation on assets utilised in exploration, evaluation and mine development during the pre-production phase is included in the carrying value of Deferred Exploration Expenditure and Mine Assets reflected on the balance sheet. On commencement of production, depreciation is expensed to the Income Statement.

The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment – mine site	life of mine
Plant and equipment – processing plant	10 years
Plant and equipment – other	2-5 years

(f) Mine assets

Expenditure on mine properties in production or under development are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs is provided on a production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Should the carrying value of expenditure not yet amortised exceed its estimated recoverable amount in any period, the excess is written off to the income statement.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which it belongs.

Pre-production revenue from gold sales derived from mine development ore is netted off against capitalised mine development expenditure.

(g) Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(h) Deferred exploration expenditure

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- Exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration and evaluation expenditure, which fails to meet at least one of the conditions outlined above, is written off.

Identifiable exploration assets acquired from another mining company are carried as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above are met. Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration incurred by or on behalf of the entity. Exploration and evaluation expenditure assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to mine assets.

(i) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except with the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinue recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that are not related to the Group.

(j) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139 'Financial Instruments: Recognition and Measurement; or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date

(k) Royalties

Royalty expenditure is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that settlement will be required and the amount of expense can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

(l) Trade and other payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services.

(m) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

<u>Provision for restoration and rehabilitation</u>

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation as at the reporting date. Future restoration costs are reviewed annually and any change in the estimates are reflected in the present value of the restoration provision at reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and production facilities is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present value arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset

(n) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled wholly within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within twelve months are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(o) Financial assets

Other financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’, ‘held-to-maturity investments’, ‘available-for-sale’ financial assets, and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group’s “other financial Assets” held during the period comprise solely of assets classified as “loans and receivables”.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets ‘at fair value through profit or loss’.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(p) Financial Liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the amounts originally received for borrowings and other financial liabilities (net of transaction costs) and the redemption value is recognised in the income statement over the period to maturity using the effective interest method.

Fair value

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties. Where relevant market prices are available, these have been used to determine fair values. In other cases, fair values have been calculated using quotations from independent financial institutions, or by using valuation techniques consistent with general market practice applicable to the instrument.

(a) The fair values of cash, short-term borrowings and loans to joint ventures and associates approximate to their carrying values, as a result of their short maturity or because they carry floating rates of interest.

(b) The fair values of medium and long-term borrowings are calculated as the present value of the estimated future cash flows using quoted prices in active markets or an appropriate market based yield curve. The carrying value of the borrowings is amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash outflows through the expected life of the financial liability, or, where appropriate, a shorter period.

An expense is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

(q) Issued Capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(r) Foreign currency

Foreign currency transactions

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Minera Gold Limited (Subject to Deed of Company Arrangement) and the presentation currency for the consolidated financial statements.

All foreign currency transactions during the financial period are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in profit or loss in the period in which they arise except that exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve in the consolidated financial statements and recognised in consolidated profit or loss on disposal of the net investment.

Foreign operations

On consolidation, the assets and liabilities of the Consolidated Entity's overseas operations are translated at exchange rates prevailing at the yearend closing rate. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in profit or loss on disposal of the foreign operation.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(t) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(u) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

(v) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key estimates that management has made in the process of applying the Group's accounting policies and that have the most significant effects on the amounts recognised in the financial statements.

(a) Determination of mineral resources and ore reserves

The Group estimates its mineral resources and ore reserves in accordance with the Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). The information on mineral resources and ore reserves is prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for restoration and rehabilitation.

(b) Estimation for the provision for restoration and rehabilitation

Provision for rehabilitation and dismantling property, plant and equipment is estimated taking into consideration facts and circumstances available at the balance sheet date. This estimate is based on the expenditure required to undertake the rehabilitation and dismantling, taking into consideration the time value of money.

(c) Impairment of property, plant and equipment

The Group reviews for impairment of property, plant and equipment, in accordance with its accounting policy. The recoverable amount of these assets has been determined based on the higher of the assets' fair value less costs to sell and value in use. These calculations require the use of estimates and judgements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. The Group may engage the assistance of third parties to establish the appropriate valuation techniques and inputs to the valuation model.

(d) Impairment of capitalised mine assets and deferred exploration expenditure

The future expected recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environment restoration obligations) and changes to commodity prices.

The Company's impairment model includes cash flows derived from the mining of measured and indicated resources at Torrecillas and as such includes the estimated capital cost of accessing and extracting these resources. Further, the model assumes the company will meets the production and cost targets.

The long-term gold price currently used in the life of mine model is US$1,170 per ounce. A 10% increase or decrease to the long term gold price may impact the carrying value of assets should there not be a corresponding decrease in production costs through a reduction in input prices, a change in technology or management corrective action.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(e) Valuation of liability owed to SilverStream SEZC

As disclosed in note 8 of the financial statements, SilverStream SEZC ("SilverStream") holds guarantee security over monies provided to Minera Gold Ltd (Subject to deed of Company Arrangement) under the gold streaming and silver streaming agreements. The total value of these guarantees is reduced based on physical delivery, whether purchased on-market, or delivered from physical production from the Group's operations based on the spot rate for the relevant commodity on the last day of the month less SilverStream's contribution to productions costs. The carrying value of the liability is therefore amortised based on the delivery profile. The reduction in this liability in future periods is therefore based on the amount delivered into the facility. At balance date, the carrying value reflects the value that would become due and payable to SilverStream should a default event occur and SilverStream call for repayment of amounts forwarded to the group under the respective agreements. The finance cost relating to these agreements represents the effective interest rate on the liabilities.

4. SEGMENT INFORMATION

Identification of Reportable Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board (the chief operating decision-maker) in assessing performance and in determining the allocation of resources. The operating segments are identified by the Board based on reporting lines and the nature of services provided. Discrete financial information about each of these operating segments is reported to the Board on a monthly basis. The Company operates predominately in Peru. The reportable segments are based on aggregated operating segments determined by the similarity of the services provided and other factors.

Segments

The Group has two reportable operating segments which are the same as its geographical segments, these are Peru and the USA. The information is further analysed based on the mineral sold within the region.

Segment result represents the profit or loss earned by each segment without allocation of corporate administration costs, investment revenue and finance costs or income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Holding Company

Holding Company costs (or unallocated costs, assets and liabilities) are those costs which are managed on a Group basis and not allocated to business segments. They include costs associated with executive management, strategic planning and compliance costs.

Accounting Policies

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Intersegment Transfers

There have been no intersegment sales during the period.

The following is an analysis of the Group's revenue and results by reportable operating segment for the year under review:

	Revenue		**Segment Result**	
	Period ended		**Period ended**	
	30 June 2015	**30 June 2014**	**30 June 2015**	**30 June 2014**
Continuing operations	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Segment result before income tax – Peru Gold	192	514	(723)	(606)
Segment result before income tax – Peru Copper	685	-	(1,355)	-
Segment result before income tax – USA	-	-	76	(129)
	877	514		
Investment revenue			-	3
SilverStream gold streaming income			-	5
Central administration costs and director salaries			(1,065)	(1,050)
Foreign exchange costs			(223)	-
Finance costs			(931)	(1,211)
Loss before income tax expense			(4,221)	(2,988)
Income tax expense			-	-
Loss for the period from continuing operations			(4,221)	(2,988)

The revenue reported above represents revenue generated from processed gold sales, toll treatment revenues and concentrate sales to external customers.

In Peru, 100% of the gold sales in the six months to 30 June 2015 of A$0.2 million, were sold to local Peruvian gold buyers (30 June 2014: A$0.5 million). All gold sold was owned by the Company and sourced from either the purchase of legal ore from local formalised miners (90%) or its wholly owned Torrecillas operation.

In Peru, 100% of the copper concentrate sales in the period from 1 January 2015 to 30 June 2015, of A$0.4 million (30 June 2014: Nil), were sold under a short term spot off-take agreement with Andina Trade SAC, a subsidiary of MRI Trading AG (97%) and to a local mining company, Minería Corporativa S.A.C. (3%).

The following is an analysis of the Group's assets by reportable operating segment:

Assets	**30 Jun 2015 $'000s**	**31 Dec 2014 $'000s**
Peru gold business	23,574	22,519
Peru copper business	6,050	6,392
United States of America	20	2
Unallocated assets	33	263
Consolidated total assets	29,677	29,176

The following is an analysis of the Group's liabilities by reportable operating segment:

Liabilities	**30 Jun 2015 $'000s**	**31 Dec 2014 $'000s**
Peru gold business	7,264	6,863
Peru copper business	2,225	1,693
United States of America	67	118
Unallocated liabilities	15,641	14,231
Consolidated total liabilities	25,197	22,905

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

5. REVENUE AND EXPENSES

	Consolidated Half-year ended	
	30 Jun 2014 $'000s	30 Jun 2014 $'000s
(a) Revenue		
Revenue from the sale of gold	192	528
Revenue from toll processing	427	-
Revenue from selling concentrate	258	-
Interest revenue – bank deposits	1	3
SilverStream gold streaming agreement [(i)]	-	5
	878	536

i. On 8 April 2014, the Company announced that it had entered into a gold streaming deal with SilverStream SEZC, a Cayman Island based fund who will pay US$5 million in four instalments for the right to purchase 10% of the production from Torrecillas for life of mine at a purchase price of the lower of US$400.00 per ounce or 80% of the prevailing spot price at the time. The first instalment of US$1.6 million was received during 2013 at the equivalent A$1.7 million. Revenue was recognised on the gold streaming agreement based on life of mine estimates and actual production values. Therefore during the half-year revenue of $5,432 was recorded, with the balance of the first instalment being recognised as deferred revenue to be released to profit and loss over the life of the mine.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

(b) Expenses		
Employee benefits expense:		
Employee and director costs	(704)	(489)
Depreciation and amortisation:		
Plant and equipment	(244)	(53)
Mine assets	-	(97)
	(244)	(150)
Finance costs:		
Interest expense	(610)	(434)
Finance costs	(318)	(770)
Other	(23)	(7)
	(951)	(1,211)

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

6. CASH AND CASH EQUIVALENTS

	30 Jun 2015 $'000s	31 Dec 2014 $'000s
Cash and bank balances	79	414

All cash balance contained in the above table was available for use by the Group as at 30 June 2015 and 31 December 2014.

7. BORROWINGS

	Consolidated Half-year ended	
	30 June 2015 $'000s	31 December 2014 $'000s
CURRENT		
Unsecured at amortised cost		
Loans (1)	2,376	1,796
Convertible notes (2)	4,297	2,327
	6,673	**4,123**
NON CURRENT		
Unsecured at amortised cost		
Loans (1)	-	186
Secured at amortised cost		
Convertible note (2)	1,869	1,613
	1,869	**1,799**
TOTAL BORROWINGS	**8,542**	**5,922**

A. Loans

(a) Anglo Pacific loan

As at 30 June 2015, the fair value of the loan facility was determined based on its face value of $1.7 million (31 December 2014:1.7 million).

In accordance with the ninth amendment to the standstill and forbearance deed with Anglo Pacific Group PLC (APG), signed on 16 December 2014, the final repayment of the debt owing has been deferred until 31 December 2015.

The remaining balance of the loan is payable in the following instalments:

(i) a repayment of $250,051.80 which was due on 31 March 2015 (representing $182,000 of the Principal and $68,051.80 of interest), and
(ii) by 30 June 2015 a repayment of $400,149.12 (representing $355,000 of the Principal and $45,149.12 of interest), and
(iii) by 30 September 2015 a repayment of $482,526 (representing $450,000 of the Principal and $32,526 of interest), and
(iv) the remainder of the outstanding balance on or before 31 December 2015.

The payments due on 31st March and 30 June 2015 were not met and in accordance with the terms of the Ninth Deed of Amendment, Minera (Subject to deed of Company Arrangement) has incurred a facility fee of $50,000 for each missed payment to ensure that the Ninth Amendment to the Standstill and Forbearance Deed is kept in good standing. This amount has been capitalised to the cost of the loan.

On 29 January 2015, Minera (Subject to deed of Company Arrangement) repaid $150,000 of the outstanding loan balance in cash. This loan is unsecured.

(b) Short term loan – Alignment Capital Pty Ltd

On 14 October 2014 the Company received a short term loan of $120,000 which was due for repayment on 14 November 2014. On 6 February 2015, this loan was rolled into a convertible note which was repayable on 30 June 2015.

(c) Short term loan - Falknis Wealth Management AG

On 15 October 2014 Minera Gold (Subject to deed of Company Arrangement) signed a debt mandate with Falknis Wealth Management AG for the provision of up to $US500,000 in loan funds. As at 30 June 2015, the loan balance was US$500,000 (31 December 2014: $US150,000). During the half year an additional US$350,000 was received.

The loan is due for repayment on the 27 January 2017. The loan is unsecured and interest accrues at 12% per annum which is calculated daily and paid in cash quarterly.

7. BORROWINGS (continued)

B. Convertible notes

(a) Short term facilities

On 2 October 2013 the Company announced the terms of an unsecured convertible loan. Interest on this facility was payable at between 18% and 23.25% per annum and to be paid quarterly in cash or shares at the note holder's election. This facility expired on 30 September 2014 and most of the participants rolled the balance of their convertible notes into a new facility expiring on 30 June 2015.

The convertible notes referred to as the September 2013 series, the March 2014 Series and the January 2015 Series have all passed their repayment dates, being 30 June 2015, and hence the notes are currently in technical default. In accordance with the terms of the Convertible Notes a lender may issue a written default notice to Minera (Subject to deed of Company Arrangement) to declare all monies owing due and payable immediately. No such notices have been received and it is expected that these Convertible Notes that have expired, will be rolled into a new Convertible Note facility.

All principal and interest amounts payable are convertible at the discretion of the Company at the lower of either a price set by the Company (between A$0.008 and $0.003), or an issue price equal to 80% of the volume weighted average price of the borrower's share traded on ASX during the ten days prior to a conversion notice being issued.

The following table illustrates the conversion price applicable to outstanding convertible notes as at 30 June 2015 and the applicable interest rates:

Expiry date of convertible facility	Loan currency denomination	Number of Holders	Loan Series	Interest rate per annum	Balance of convertible (AUD) $'000s	Maximum Conversion price per share	
30-Jun-15	AUD	19	Sep-13	18.00%(2)	1,229	0.008	*
30-Sep-14	AUD	2	Sep-13	23.25%(1)	210	0.008	*
30-Jun-15	USA	1	Mar-14	18.00%(2)	543	0.006	*
30-Jun-15	AUD	5	Jan-15	18.00%(2)	304	0.003	*
31-Mar-16	USA	4	Mar-15	18.00%	467	0.0025	*
31-Mar-16	AUD	9	Mar-15	18.00%	1,506	0.0025	*

1. The interest rate being applied is the default interest rate, pursuant to the Convertible Note Agreement
2. From 1 July 2015 the default interest rate of 23.25% will apply as the repayment date as per the Convertible Note agreement was 30 June 2015. These 25 notes are currently in technical default and are in the process of being renegotiated/extended.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

During the financial year, the Company received $xxx million* (2013:*) in new loans from sophisticated and professional investors on substantially the same terms and conditions as noted above. The Company has also rolled into the convertible notes, amounts previously recorded through trade payables in lieu of a cash settlement.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

7. BORROWINGS (continued)

The following table summarises the movement in the convertible note debt for the year:

	Consolidated	
	6 months to 30 June 2015	12 months to 31 December 2014
	$'000s	$'000s
Opening balance	2,327	2,864
Proceeds received	1,544	4,141
Creditors rolled in	542	435
Short term loan rolled into convertible note	120	
Interest accrued	334	460
Principal paid in shares via conversion	(525)	(5,236)
Interest paid in cash	-	(58)
Interest paid in shares via conversion	(49)	(321)
Foreign exchange revaluation	4	42
Closing balance	**4,297**	**2,327**

All borrowings will be transferred to the Creditors' Trust upon effectuation of the Deed of Company Arrangement.

(b) Long term facility

On 11 September 2014, the Group signed a convertible debt facility with DCF Capital LLC (DCF) for $1.38 million (US$1.25 million). The facility has a maturity date of 30 September 2016 and it is convertible at the election of DCF Capital LLC.

Interest accrues at 18% per annum and a default interest at the rate of 23.25% will accrue on any outstanding monies.

DCF may at any time elect to convert the whole of the outstanding balance on the facility into ordinary shares in Minera Gold Limited (Subject to deed of Company Arrangement) at a conversion price equal to the lesser of $0.004 and 80% of the volume weighted average price of shares traded on ASX in the 10 trading days prior to a conversion notice being issued. Minera (Subject to deed of Company Arrangement) may elect to repay the balance of the outstanding monies on the repayment date by way of shares at the conversion price or by cash payment.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

(c) Convertible Loan Agreement entered into since 1 July 2015

Subsequent to year end, a further $0.4 million was received by the Company from sophisticated and professional investors. The terms of these new convertible notes were substantially the same as the existing short term convertible loans on issue. The repayment date for these new loans vary between * ($0.2 million) and 31 March 2016 ($1.4 million) The principal and interest amounts payable are convertible at the discretion of the Company at the lower of either A$0.003 or $0.0025 (dependent on the execution date) or an issue price equal to 80% of the volume weighted average price of the borrower's share traded on ASX during the ten days prior to a conversion notice being issued.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

8. OTHER LIABILITIES

	Consolidated	
	30 June 2015	31 December 2014
	$'000s	$'000s
Gold purchase agreement liability(1)	*	3,266
Silver purchase agreement liability(2)	*	3,312
	5,948	6,578
Reduction in liability for ore sold under contract during the period	*	(786)
Reduction in liability for ore sold under contract during the period - CN	*	
Foreign exchange loss on liability revaluation	*	737
Fair value finance charge	*	183
Balance due to SilverStream SEZC under the GPA and SPA	5,948	6,712
Current		
Gold purchase agreement liability	*	564
Silver purchase agreement liability	*	641
	5,948	1,205
Non-current		
Gold purchase agreement liability	*	2,576
Silver purchase agreement liability	*	2,931
	*	5,507

(1) Under the Gold Purchase Agreement, SilverStream advanced Minera Gold (Subject to deed of Company Arrangement) US$3 million.
(2) Under the Silver Purchase Agreement, SilverStream advanced Minera Gold (Subject to deed of Company Arrangement) US$3 million.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

Gold purchase agreement liability (GPA)

On 8 April 2014, the Company announced that it had entered into a Gold Purchase Agreement (GPA) with SilverStream SEZC, whereby US$5 million in four instalments will be provided for the right to purchase the greater of either, 10% of the production from Torrecillas for the life of mine, or 70 oz of gold per month at a purchase price of the lower of US$400.00 per ounce or 80% of the prevailing spot price at the time.

Up to 31 December 2014 Minera (Subject to deed of Company Arrangement) received US$3 million as follows;

i) US$1.6 million upon the signing of the agreement in April and a further US$1.4 million in September 2014 following execution of a contract variation.

A further US$2 million is receivable under the terms of the contract as follows;

a. US$1.0 million on achieving three consecutive 1,600 ounces per month or more of production at a cash cost of less than US$1,300 per ounce; and
b. US$1.0 million on achieving three consecutive months of 2,000 ounces per month or more of production at a cash cost of less than US$1,300 per ounce.

These milestones are not met, therefore not recorded as received.

The liability is secured by way of first-ranking lien interest in the Mining Properties by way of mortgage. The mortgage will cease to have effect upon SilverStream having received refined gold when Minera (Subject to deed of Company Arrangement) have met the release milestones, as indicated in the contract.

Silver purchase agreement liability (SPA)

On 5 August 2014, the Company entered into a Silver Purchase Agreement (**SPA**) with SilverStream pursuant to which Minera (Subject to deed of Company Arrangement) obtained funding of up to US$4.5 million in instalments and granted SilverStream SEZC certain silver streaming rights whereby they are entitled to purchase a minimum of 4,000 ozs of silver per month and up to a maximum of 90,000 ozs of silver per annum at a purchase price of US$6 per ounce for the next 15 years. For amounts over 90,000 ozs per annum, SilverStream will be entitled to purchase 50% of the additional ounces at the purchase price of US$6 per ounce.

Up to 31 December 2014, US$3.0m had been received. Minera Gold (Subject to deed of Company Arrangement) received US$250,000 in August 2014 upon entering into the Silver Purchase Agreement and a further instalment of US$2,750,000 was received upon successful completion of the San Santiago asset purchase in September 2014.

Failure by Minera (Subject to deed of Company Arrangement) to deliver the minimum silver credits for more than two months will trigger a royalty condition whereby SilverStream will be entitled to 2% of the net smelter return on the San Santiago project*.

The remaining US$1,500,000 will be received on satisfaction of further milestones in relation to the issue of security to SilverStream and modifications to the processing plant*.

The liability is secured by way of first-ranking lien interest in the San Santiago de Acari by way of mortgage. The mortgage will cease to have effect upon SilverStream having received refined silver when Minera (Subject to deed of Company Arrangement) have met the release milestones, as indicated in the contract.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

9. ISSUED CAPITAL

(a) Issued capital reconciliation

	Deemed issue price per share	30 June 2015	
Issued capital		**Number**	**$'000s**
Ordinary shares fully paid		**3,468,826,658**	**78,612**
Movements in shares on issue			
Balance at the beginning of the financial year		2,772,585,979	77,554
Shares issued in lieu of cash payment			
Issued 10 February 2015	$0.0035	40,860,410	143
Issued 10 February 2015	$0.0030	41,024,999	123
Issued 9 March 2015	$0.0030	18,667,700	56
Issued 31 March 2015	$0.0020	25,139,790	50
Issued 8 June 2015	$0.0020	8,250,000	16
Issued 8 June 2015	$0.0015	49,139,733	74
Issued 8 June 2015	$0.0015	13,091,933	20
Conversion of convertible note principal			
Issued 10 February 2015 conversion price(1) $0.0024	$0.0020	20,675,739	41
Issued 2 March 2015 conversion price $0.0018	$0.0030	13,797,298	41
Issued 9 March 2015 conversion price $0.0017	$0.0020	30,030,030	60
Issued 31 March 2015 conversion price $0.0016	$0.0020	93,750,000	187
Issued 8 June 2015 conversion price $0.0011	$0.0015	27,272,727	41
Issued 30 June 2015 conversion price $0.0008	$0.0010	275,000,000	275
Conversion of convertible note interest			
Issued 10 February 2015 conversion price $0.0027	$0.0020	4,401,468	9
Issued 31 March 2015 conversion price $0.0016	$0.0020	3,786,049	7
Issued 2 March 2015 conversion price $0.0018	$0.0030	768,551	2
Issued 8 June 2015 conversion price $0.0013	$0.0015	4,977,664	7
Issued 30 June 2015 conversion price $0.0009	$0.0010	25,606,588	26
Share Issue Costs Incurred	n/a	-	(120)
Balance at end of half year		**3,468,826,658**	**78,612**

1. In accordance with the terms of the convertible notes, the conversion price is calculated at an issue price of 80% of the volume weighted average price (VWAP) of the borrowers shares traded on ASX during the ten days prior to a conversion notice being issued.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

9. **ISSUED CAPITAL (continued)**

Terms and conditions of contributed equity
Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998, therefore, the Company does not have a limited amount of authorised share capital and issued shares do not have a par value.

(b) Shares under option - quoted

Details of quoted unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price	Expiry date	Vested
Minera Gold Limited (Subject to deed of Company Arrangement)	432,539,584	Ordinary	1.2 cents	4 Dec 2016	100%

As at 30 June 2015 there were 432,539,584 (31 December 2014:280,250,000) quoted unissued shares under option on issue which are exercisable on or before the 4 December 2016 at 1.2 cents per share.

Please refer to the movement table below, depicting options exercised, issued and or lapsed during the period.

(c) Shares under option - unlisted

Recipient	Number of shares under option	Class of shares	Exercise price	Expiry date	Vested
Directors	22,500,000	Ordinary	2.0 cents	4 Dec 2016	100%
Directors	4,500,000	Ordinary	9.0 cents	13 Sep 2017	100%
Directors	4,500,000	Ordinary	15.0 cents	13 Sep 2017	100%
Financiers	20,000,000	Ordinary	10.0 cents	13 Dec 2015	100%
Financiers	4,000,000	Ordinary	10.0 cents	15 Feb 2016	100%
Financiers	32,500,000	Ordinary	3.0 cents	30 Jun 2016	100%
Financiers	15,000,000	Ordinary	1.2 cents	30 Jun 2016	100%
Anglo Pacific	73,275,000	Ordinary	0.06 cents	8 Feb 2018	100%

In accordance with the provisions of the employee share option plan, as at 30 June 2015, directors have options over 31,500,000 shares.

As at 30 June 2015, there are 144,775,000 unlisted share options issued to financial and corporate advisors. These options expire at various dates between 13 December 2015 and 8 February 2018 and are exercisable between 0.06c and 10 cents per share.

Unquoted share options granted carry no rights to dividends and no voting rights and details of the movement in unissued shares or interests under option as at the date of this report are:

	Number of Options (Unlisted)(1)	Number of Options MIZOA (ASX listed)(3)
Balance at the beginning of the period	128,920,000*	280,250,000
Share options issued on 10 February 2015	73,275,000*	152,289,584
Share options lapsed from 1 January 2015 to 30 June 2015	(25,920,000)*	-
Total number of options outstanding as at the date of this report	**176,275,000**	**432,539,584**

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

No options were exercised during the period.

The weighted average exercise price of options granted during the period was $0.006 (six months to 31 December 2013: $0.015). Options were priced using a Black and Scholes financial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability and exercise restrictions. Expected volatility is based on the historical share price volatility of Minera Gold Limited (Subject to deed of Company Arrangement).

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

10. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

11. JOINT VENTURE

On 31 May 2013, a binding share subscription agreement was signed between Mineralis Limited and Minera Gold's wholly-owned Brazilian subsidiary, Mundo Mineração Ltdã and Minera Gold Limited (Subject to deed of Company Arrangement).

Under the subscription agreement, Mineralis Ltd was to subscribe for shares in Mundo Mineração Ltdã, which was to become an incorporated joint venture vehicle in respect of the Engenho gold project.

The Investor was to acquire the Subscription Shares by way of four tranche subscriptions and payments over a 12 month period (Tranches). The agreement sees the staged injection of A$4,500,000 into Mundo Mineração Ltdã to pay 100% of the creditor obligations under the court supervised creditor plan during over the next 12 months and to also provide additional working capital to fund exploration on the Olhos project and administration costs.

Minera Gold Limited (Subject to deed of Company Arrangement) received payment of the first tranche of $970,000 from Mineralis Limited however there is an ongoing dispute as to whether the corresponding shares were transferred to Mineralis Limited.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

12. EXPLORATION EXPENDITURE

The ultimate recoupment of costs carried forward for exploration expenditure is dependent upon successful development and commercial exploitation, or sale, of the respective areas of interest.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

13. CONTINGENCIES AND COMMITMENTS

There were no material changes to contingent liabilities or commitments of the consolidated entity since the last annual reporting date.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

14. EVENTS AFTER THE REPORTING PERIOD

Messrs Martin Jones and Darren Weaver were appointed as voluntary administrators of the Company on 25 August 2015 pursuant to section 436A of the Corporations Act 2001 (Cth).

On 8 October 2015, the creditors of the Company resolved to enter into a deed of company arrangement (DOCA) to give effect to a proposed restructure and recapitalisation. Martin Jones and Darren Weaver were appointed joint and several deed administrators upon execution of the DOCA on 15 October 2015. On or about 19 November 2015 the DOCA failed to be implemented.

On or about 18 December 2015 Darren Weaver retired as deed administrator.

Following further negotiations with the DOCA proponent, Andina Resources Limited (Andina), creditors resolved to vary the DOCA executed on 15 October 2015 at a meeting of creditors held pursuant to section 445F of the Act on 9 June 2016. At this meeting, creditors also resolved to appoint Wayne Rushton as a joint and several deed administrator.

The varied DOCA was executed on 30 June 2016 and Messrs Wayne Rushton and Martin Jones were appointed joint and several deed administrators.

The DOCA variation had the following terms:

- The DYC entities and the underlying San Santiago assets to be retained in the Group.
- MPG entities to be transferred to Andina or its nominee.
- Upon transfer of the MPG entities and the Torrecillas mine, Andina and its nominee will assume the associated gold and silver stream liabilities to SilverStream.
- $360k Deed Fund to cover the costs of the administration and the payment of priority employee entitlements.
- $500k in ordinary shares of the Company to be distributed to unsecured creditors of the Company.
- New capital raising of up to $5.25M (which includes a minimum of $400k and up to $1.75M from SilverStream) to fund transaction costs and working capital requirements.
- Interests held by existing shareholders are to be consolidated on a 350:1 basis.

At a general meeting to be held in September 2016, the shareholders of the Company will vote on:

(a) Removal of the previous auditor and appointment of Stantons International Audit and Consulting in their place.
(b) consolidate the capital on a 1:350 basis;
(c) confirm the appointment of the nominee directors;
(d) authorise the placement of Silverstream shares via the Disclosure document;
(e) authorise the new placement shares pursuant to the capital raising via the disclosure document;
(f) authorise placement shares for Andina and Unsecured creditors to the Deed Administrators via the Disclosure document;
(g) such other resolutions as may be reasonably necessary to implement the proposal.

The varied DOCA is set to be effectuated on or before the 30 September 2016.

<u>Changes in key management personnel</u>

Due to the company being placed into voluntary administration on the 25 August 2015, all directors and key management personnel had resigned at this date.

Current directors that are appointed are noted in the Deed Administrators' Report.

Other than the above, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.

*Subsequent to period end, the company entered into voluntary administration. The balances, whilst represented in this half year financial report have been presented as at that date (30 June 2015), have changed significantly upon the company entering into voluntary administration. Accordingly, assets and liabilities as stated in the balance sheet have been restated on a liquidation basis as at 31 December 2015, and differ significantly to the balances presented in this financial report.

Changes in key management personnel

On 9 July 2015, Mr Ashley Pattison ceased his role as Managing Director and CEO. Mr Pattison is to remain involved in the capacity of a part –time consultant to Minera (Subject to deed of Company Arrangement) and a Director of the subsidiary companies until an orderly yet timely transition process is affected. At this time, Mr Ismael Benavides and Mr Campbell Baird assumed temporary executive capacity with the Chairman Mr. Ismael Benavides overseeing all in country and community relations and Mr Campbell Baird overseeing the operational delivery and day to day operations of the existing assets.

Financing arrangements

During July $400k received.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.

Changes to capital structure

On 10 August 2015, the following equity securities were issued:

Type of Security	**Number issued**	**$ Value**	**Purpose**	**$ Value**
Fully paid ordinary shares	42,909,640	$0.001 per share	Settlement of Outstanding Directors Fees	42,909.64
Fully paid ordinary shares	122,087,140	$0.001 per share	Payment in Lieu of Cash for Invoices Outstanding	122,087.14

The financial report was prepared by the Administrators who were not appointed at the balance date of 30 June 2015.

* The Company was under External administration from 25 August 2015, consequently the Company does not have sufficient information to allow the level of disclosure required for the period ended 30 June 2015.