

MINDAX LIMITED

ABN 28 106 866 442



HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2008

MINDAX LIMITED
ABN 28 106 866 442

CORPORATE DIRECTORY

DIRECTORS

Gilbert Charles George (Non-executive, Chairman)
Gregory John Bromley (Managing Director)
Nicholas James Smith (Non-executive Director)
Andrew Tsang (Non-executive Director)

PRINCIPAL OFFICE

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Website www.mindax.com.au

REGISTERED OFFICE

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AUDITORS

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008

COMPANY SECRETARY

Angelo Francesca

BANKERS

Commonwealth Bank
1254 Hay Street
West Perth WA 6005

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING

Shares in Mindax Limited are quoted on the
Australian Securities Exchange:

ASX codes: MDX (shares)

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Mindax Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

1 DIRECTORS

The directors of the Company at any time during the whole of the half-year and up to the date of this report are:

GEORGE, Gilbert Charles (Chairman)
BROMLEY, Gregory John
SMITH, Nicholas James
TSANG, Andrew

2 OPERATING RESULTS

The consolidated net loss from ordinary activities after providing for income tax amounted to \$676,215 (2007: loss of \$228,002).

3 REVIEW OF OPERATIONS

EXPLORATION

Exploration highlights for the half-year on project areas include the following.

- Detailed mapping and sampling of the extensive Mt Forrest iron formations continued with identification of further zones of hematite-goethite mineralisation. The field observations are well supported by surface rock chip sampling and further drill targets have been defined. The mapping is substantially confirmed by the rock chip sampling results in excess of 57.5% Fe and indicates an average grade of 61.8% Fe for this outcropping mineralisation.
- The mapping at Mt Forrest has extended mineralisation beyond the embargoed heritage site covering the western limb of the Mt Forrest syncline. Drilling proposals will be prepared for the accessible areas.
- Regional sampling for iron indicates further prospectivity at Tiger and Ocelot prospects to the west and north of Mr Forrest. Ocelot extends over 1100m at a grade of +50% Fe while Tiger is a composite anomaly aggregating 1250m at +50% Fe.
- Re-evaluation of historical drilling at Toucan prospect indicates the persistence of mineralisation and grade at depth, providing further confidence when drilling is cleared to proceed.

DIRECTORS' REPORT, CONTINUED

CORPORATE

During the half-year, 30,538,713 ordinary fully paid shares were issued as a result of the exercise of listed options expiring 30 June 2008. **The final take up in respect of the listed options that expired on 30 June 2008 was approximately 97%.** In addition 1,335,788 ordinary fully paid shares and 6,435,969 ordinary fully paid shares were issued at 20 cents per share representing respectively the "Underwritten Shares" and "Top Up Shares" pursuant to the underwriting agreement with Mr Andrew Tsang (the terms of which were approved at a general meeting of shareholders held on 18 June 2008).

In addition 250,000 unlisted employee options with a vesting date of 1 August 2009, exercise price of 53 cents and expiry date of 3 years from date of vesting were issued on 4 August 2008. Further 660,000 unlisted employee options with an exercise price of 60 cents, vesting date of 1 April 2009 and expiry date of 30 June 2011 were issued on 23 December 2008 pursuant to resolution 6 approved at the Company's Annual General Meeting held on 27 November 2008. All employee options were issued for nil consideration.

On 21 December 2008, 600,000 unlisted employee options with an exercise price of 25 cents expired.

During the half-year the Company established a wholly owned subsidiary named Yilgiron Pty Ltd ("Yilgiron"). Yilgiron was established to facilitate the transfer of the Mt Forrest Iron Project tenements (which occurred during the half-year). The Board resolved that it would be commercially prudent to establish a wholly owned subsidiary dedicated to the Mt Forrest Iron Project, with such a project considered highly prospective.

4 SUBSEQUENT EVENTS

There has not been any other matter or circumstance that has arisen since the end of the half-year that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial periods.

5 AUDITOR'S DECLARATION

A copy of the independence declaration by the lead auditor under section 307C is included on page 3 to this half-year financial report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



GREGORY JOHN BROMLEY
Director

Dated at PERTH this 12th day of March 2009



BDO Kendalls

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12 March 2009

Board of Directors
Mindax Limited
Level 2, 25 Richardson St
West Perth WA 6005

Dear Sirs

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor of Mindax Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mindax Limited and the entities it controlled during the period.

Peter Toll
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Western Australia, Perth

MINDAX LIMITED
ABN 28 106 866 442

CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31.12.2008	31.12.2007
	\$	\$
Revenue from operating operations	359,560	114,727
Depreciation and amortisation expense	(20,489)	(16,627)
Directors fees	(77,500)	(27,500)
Employee benefits expense	(77,256)	(32,783)
Share based payments – employee options	(65,400)	-
Write-off of exploration expenditure	(147,522)	(81,653)
Corporate management fees	(116,199)	(74,886)
Finance costs	(1,169)	(8,538)
Occupancy expense	(56,664)	(19,608)
Other expenses	(473,576)	(81,134)
Loss before income tax	(676,215)	(228,002)
Income tax benefit	-	-
Net loss attributable to members of the Company	(676,215)	(228,002)
Loss per share:		
Basic and diluted (cents per share)	(0.528)	(0.374)

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

MINDAX LIMITED
ABN 28 106 866 442

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	31.12.2008	30.06.2008
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	9,392,545	9,241,057
Trade and other receivables	161,791	56,840
Other	25,822	12,331
TOTAL CURRENT ASSETS	<u>9,580,158</u>	<u>9,310,228</u>
NON-CURRENT ASSETS		
Property, plant & equipment	219,315	133,014
Exploration & evaluation expenditure	5,291,107	4,689,593
Other	2,205	4,345
TOTAL NON-CURRENT ASSETS	<u>5,512,627</u>	<u>4,826,952</u>
TOTAL ASSETS	<u>15,092,785</u>	<u>14,137,180</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	145,369	308,283
Borrowings	10,310	69,065
Provisions	55,454	31,754
Other	-	5,816,284
TOTAL CURRENT LIABILITIES	<u>211,133</u>	<u>6,225,386</u>
NON CURRENT LIABILITIES	-	-
TOTAL NON CURRENT LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>211,133</u>	<u>6,225,386</u>
NET ASSETS	<u>14,881,652</u>	<u>7,911,794</u>
EQUITY		
Contributed equity	17,905,692	10,270,579
Reserves	13,860	28,700
Accumulated losses	(3,037,900)	(2,387,485)
TOTAL EQUITY	<u>14,881,652</u>	<u>7,911,794</u>

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

MINDAX LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Issued capital \$	Accumulated Losses \$	Option Reserve \$	Total \$
At 1 July 2007	6,344,771	(1,832,498)	30,100	4,542,373
Foreign currency translation differences		-	-	-
Total income and expense for the half-year recognised directly in equity		-	-	-
Loss for the period		(228,002)	-	(228,002)
Total income and expense for the half-year		(228,002)	-	(228,002)
Issue of share capital (net of share issue expenses)	2,663,845	-	-	2,663,845
Dividends paid	-	-	-	-
Share-based payment expense	-	-	-	-
At 31 December 2007	9,008,616	(2,060,500)	30,100	6,978,216
Decrease in fair value of land and buildings		-	-	-
Total income and expense for the half-year recognised directly in equity		-	-	-
Loss for the period		(326,985)	-	(326,985)
Total income and expense for the half-year		(326,985)	-	(326,985)
Issue of share capital - options converted	1,270,336	-	-	1,270,336
Share issue expenses	(8,373)	-	-	(8,373)
Dividends paid	-	-	-	-
Share-based payment expense	-	-	(1,400)	(1,400)
At 30 June 2008	10,270,579	(2,387,485)	28,700	7,911,794
Expiry of unexercised employee options		25,800	-	25,800
Foreign currency translation differences		-	-	-
Total income and expense for the half-year recognised directly in equity		25,800	-	25,800
Loss for the period		(676,215)	-	(676,215)
Total income and expense for the half-year		(650,415)	-	(650,415)
Issue of share capital - options converted	6,107,743	-	-	6,107,743
Issue of share capital - 'Underwritten shares' pursuant to underwriting agreement	267,158	-	-	267,158
Issue of share capital - 'Top Up' shares pursuant to underwriting agreement	1,287,193	-	-	1,287,193
Share issue expenses	(26,981)	-	-	(26,981)
Dividends paid	-	-	-	-
Share-based payment expense	-	-	(14,840)	(14,840)
At 31 December 2008	17,905,692	(3,037,900)	13,860	14,881,652

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31.12.2008	31.12.2007
	\$	\$
Cash flows from operating activities		
Interest received	338,748	26,542
Interest and other costs of finance paid	(1,169)	(8,488)
Other revenue – R & D offsets received	-	35,449
Payments to suppliers and employees	(881,342)	(211,983)
Net cash (outflow) from operating activities	(543,763)	(158,480)
Cash flows from investing activities		
Payments for:		
Security deposit – business premises rental	(124,042)	-
Property, plant & equipment	(106,790)	(171)
Exploration expenditure	(1,167,429)	(641,918)
Recovery of exploration expenditure – JV Partner	333,438	-
Net cash (outflow) investing activities	(1,064,823)	(642,089)
Cash flows from financing activities		
Application for shares allotted	(5,816,284)	-
Proceeds from issues of shares	7,662,094	2,934,889
Transaction costs from issue of shares	(26,981)	(267,215)
Proceeds from borrowings	-	12,892
Repayment of borrowings	(58,755)	(20,347)
Net cash inflow by financing activities	1,760,074	2,660,219
Net increase in cash held	151,488	1,859,650
Net cash at beginning of the period	9,241,057	990,832
Net cash at the end of the period	9,392,545	2,850,482

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

MINDAX LIMITED
ABN 28 106 866 442

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1 – BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Mindax Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

NOTE 2 – SEGMENT INFORMATION

Geographical Segments:

Mindax Limited operates exclusively in mineral exploration operations in Australia.

NOTE 3 – CONTINGENT ASSETS AND LIABILITIES

Term deposits of \$33,000 have been temporarily secured by the Company's bankers to provide a bank guarantee of \$13,000 and \$20,000 in favour of the Minister for State Development as unconditional performance bonds on EL 57/619 and 57/555 respectively.

During the half-year a term deposit of \$124,042 was secured by the Company's bankers to provide a bank guarantee in support of the lease agreement for the Company's new business premises.

NOTE 4 – DIVIDENDS

No dividends have been paid or declared since the start of the financial period, and none are recommended.

NOTE 5 – EQUITY SECURITIES ISSUED

Issue of ordinary shares during the half-year:	31.12.2008		31.12.2007	
	No.	\$	No.	\$
- for working capital at \$0.13 per share pursuant to a share placement program	-	-	3,800,000	494,000
- pursuant to exercise of listed options at \$0.20 per share	-	-	158,750	31,750
- for working capital at \$0.10 per share pursuant to a Rights Issue	-	-	24,091,387	2,409,139
- pursuant to exercise of listed options at \$0.20 per share	30,538,713	6,107,743	-	-
- pursuant to underwriting agreement	7,771,757	1,554,351	-	-
	<u>38,310,470</u>	<u>7,662,094</u>	<u>28,050,137</u>	<u>2,934,889</u>

MINDAX LIMITED
ABN 28 106 866 442

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER
2008

NOTE 6– EVENTS SUBSEQUENT TO BALANCE DATE

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the half-year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

MINDAX LIMITED
ABN 28 106 866 442

DECLARATION BY DIRECTORS

The directors of Mindax Limited declare that:

1. The financial statements, comprising the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) Give a true and fair view of the consolidated entity's financial position, as represented by the results of its operations, changes in equity and its cash flows, as at 31 December 2008 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



GREGORY JOHN BROMLEY
Director

Dated at PERTH this 12th day of March 2009



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MINDAX LIMITED

We have reviewed the accompanying half-year financial report of Mindax Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity 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*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 consolidated entity's financial position as at 31 December 2008 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 Mindax Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Independence


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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls


Peter Toll
Director

Signed in Perth, Western Australia
Dated this 12th day of March 2009