

## MANAGING DIRECTOR'S PRESENTATION – 2009 ANNUAL GENERAL MEETING

### Introduction

The past year has been an exciting time for Mindax:

- We have weathered the GFC in good shape with a healthy bank balance, a healthy share price and a significant Market Capitalisation.
- We have enhanced projects in iron, uranium and copper-gold
  - We have finally gained traction towards a drilling program to develop our outstanding iron resource at Mt Forrest;
  - We have identified significant uranium mineralisation at Mukinbudin (Yilgarn-Avon JV); and
  - We have some great geophysical anomalies at Centre Forrest.
- Finally we have transcended most of the permitting (Heritage) issues that have dogged us for the last two years and some serious drilling is about to begin on three very good prospects.
- We expect to take the Company to a new level in 2010.

It is appropriate to refer back to this time last year and consider the *raison d'être* that was presented there:

***Mindax is an exploration company. That is where our expertise lies but it is also where we have chosen to start in the resources sector. It is the reason why people have invested capital or have become shareholders. We are not in property development or retail. The resources and expertise we have available to apply, have always been limited and carefully husbanded.... We have chosen the high risk-high reward strategy of exploration beginning with our IPO four years ago. Exploration and discovery is the foundation of Mindax and we believe it is our future.***

I believe that this past year has seen us move increasingly and confidently down that path.

I shall now take you through our more exciting projects, so that you can see how we are progressing and then address some of the other issues that face Mindax as the company moves forward.

Mindax current hold interests in 43 tenements or applications covering 5,025 sq km, all in WA.

Our most advanced project is iron ore at Mt Forrest, in the Richardson Ranges, 150 km northeast of Menzies and the railway line which connects with the Port of Esperance. Mt Forrest is around 800 km northeast of Perth.

The Mt Forrest Mining Leases cover 50 sq km and are very much dominated by the Mt Forrest – Richardson Ranges. These are multiple ironstone ridges rising to around 100 m above the surrounding country and within our leases extend over 17 km folded in the shape of a north pointing arrow.

The ironstones occur as discontinuous parallel units and are dominantly magnetite and silica. From surface mapping and sampling, we are targeting around 10 million tonnes per vertical metre of this material averaging 40% iron. Substantial zones of richer hematite material, possibly making up 10 to 15 percent of this ironstone inventory, offer the potential for commercially attractive direct shipping ores. No definitive drilling of this iron mineralisation has yet been carried out and any commercial potential is at this time conceptual.

If our business plan is correct, then there is the opportunity to establish a significant enterprise up to a scale similar to the Cliffs-Portman mine at Koolyanobbing to the south of Mt Forrest.

I am sure all shareholders are aware of the aboriginal heritage issues that have delayed the drilling necessary to quantify the resource potential. There has been a particular frustration that this problem has been encountered at such an early stage in the exploration process. However, the only way it can be dealt with in a sustainable way, is through process and with sensitivity to the cultural issues that lie behind it. That has been our approach.

While we may receive little credit for the way we have handled it, we believe in the project, we believe that it has the potential to make a big difference economically to the Goldfields region and that everyone – the investors, the local stakeholders and community, the government, the tax payers - can all benefit from that. We believe it is worth the pain of many small steps to get it going rather than jeopardise the longer term stakeholder relationships. We believe we are now at a position where drilling can commence during December and are fully focussed on that objective.

Preparing for that event has indeed been very much the focus of the last year. We have spent this time refining our knowledge of the area geologically and developing a view of how the project might develop. We have completed mapping the surface (13.8 sq km) at a very detailed scale of 1:1000 (on paper 1 mm represents 1 m on the ground). We have carried out extensive rock chip sampling (2,900 samples) over the prospective haematites. While this approach is viewed as unconventional by miners, it does provide us as explorers with a very confident way of discriminating first pass drilling targets. This will substantially improve the efficacy of the drilling. This is a uniquely valuable piece of work that is expected to continue to add value to the project well beyond the drilling phase. We are particularly indebted to the geologists that carried it through.

The drilling program once started can progress quickly because of this mapping. The initial work will aim at establishing the substance of targets derived from mapping. We are looking particularly at the depth persistence of mineralisation with a notional limit of 50 m below the surface. The second phase will test the continuity of mineralisation along strike and at depth and will provide the basis of a foundation JORC resource. It will provide a gauge of the overall tonnage potential and facilitate the fast tracking into feasibility if successful.

We are committed to carry out this work in a responsible way. There will be continuing frustrations – more small steps. The critical role of government is far from satisfactory in spite of the rhetoric. We have however strived to build relationships and trust and we are hopeful that that capital will continue to ease our path.

The Yilgarn-Avon joint venture with equal partner Quasar Resources is another exciting project and one that provides a particular level of satisfaction to us as a team and as scientists. Again it is a story of persistence. High levels of uranium in water led us into the search for uranium in a hitherto unprospected area. Our focus became the ancient palaeochannels now hidden beneath the sand plains of the South West of WA. This year we have been able to demonstrate the presence of uranium mineralisation at a tenor well equal to those much touted resources elsewhere in the state. Our ongoing exploration is well placed to identify economic positions and through our partner we have the expertise to bring these to production and in a way that is particularly sensitive to the environment.

This was our fourth year of exploration in the area. A large part of this time has been taken up with securing title, getting surface access to private land and permits to work. This is now very much part of the modern exploration experience. It is expensive and it is slow and eats into the hard gained risk capital that should be going into the ground. Poorly conceived regulation is the major risk to junior explorers and ultimately the survival of a resources industry in Western Australia.

Last year we saw our first signs of mineralisation in the Yilgarn-Avon program. This year we have mounted a concerted scout drilling campaign and have identified undeniably substantial mineralisation at Jindarra in the upper reaches of the palaeochannel. Along the way we have learned a great deal about the geology and geochemistry of the palaeochannel which will have wide value to the local community well beyond our exploration.

The palaeochannels are thought to have their origins some 50 million years ago. At that time the topography of the area was probably relatively flat because of its age and exposure. The climate was wet and humid in contrast to the present aridity. The Yilgarn River was a substantial if lazy watercourse meandering to the south, not dissimilar to the Amazon perhaps. Its low gradient made for frequent heavily forested swampy ground. The climate was one conducive to deep weathering of the rocks, leaching out the minerals and metals and further flattening the terrain. The sediments were dominantly

fine sands. The basement rocks were mostly granites, some with very high uranium backgrounds perhaps up to and beyond 80 ppm U.

In time the river changed its course more to the west and into the Perth Basin. This was probably to do with the separation of the Antarctic continent from southern WA. With ever present climate change, the area became more arid. Swampy areas turned to peats and then coals. The river sediments became more clay rich and the water became more saline. These changes began around 5 million years ago.

Also at this time, seismic uplift commenced west of the Meckering line. The river still maintained the strength to push through this and empty into the Perth Basin but east of this the groundwater became even more saline and also more acid and the uranium minerals already oxidised under tropical conditions, were taken into solution and started to move down the channel until trapped by coals and other reducing chemical environments. Here the uranium re-precipitated as "roll front", "redox" or "sedimentary" uranium.

These types of uranium deposit are a significant style of mineralisation around the world making up to 18% of global uranium resources. Individual deposits range up to 50,000 tonnes contained  $U_3O_8$  but they occur often in clusters aggregating as much as 500,000 tonnes contained  $U_3O_8$  at grades ranging up to 0.4%. Unlike most mineralisation uranium, it is quite mobile – it migrates down the channels as the acid groundwaters press forward. Uranium precipitates, redissolves and precipitates again with time. This kind of deposit is often particularly suitable for 'in situ' recovery because the aquifers they exploit are constrained by impervious clays. A slight change of acidity induced in the mineralised environment, brings uranium back into solution. It can then be taken out of the stream with bores. There is negligible disturbance of the surface, no dust pollution and only transient disturbance of the hydro geochemical environment at depth. As the waters are enriched in a wide range of other metals and minerals, it may also be possible to extract other useful commodities from the stream.

In 2010 we intend to push on with the scout drilling campaign. We have 170 km of channel still to test. We have a general idea of where the channel contains mobile uranium and where it appears depleted but we need to be clearer on that. We intend to drill test the Jindarra area in much more detail (traverses are 2000 m apart). With good luck, the close of 2010 may see MDX with a second advanced project moving towards production.

The third project is also within the YAJV. The Mortlock copper and gold project (in addition with Sipa Resources) is only 100 km or so from Perth. Sipa Resources discovered copper gold mineralisation in 2000 at Centre Forrest. Much earlier Billiton had drilled copper some 7 km south at Southern Brook. A now substantial body of regolith geochemistry indicates widespread copper anomalism between the two prospects. Geophysical data points to continuity of the geology and now a series of EM conductors have been identified by the YAJV along this target horizon and generally coincident with the geochemistry.

Drilling by Sipa identified low grade copper and gold mineralisation but over good widths, particularly in the regolith. The basement rocks are high grade metamorphic rocks: gneisses, granites, mafic dykes but aeromagnetics enable some resolution of fabrics and discontinuities. Radiometrics also aid geological discrimination but it is difficult to see the critical relationships of the mineralisation. The overprint of that seismic activity that prevails between the Darling Escarpment and the Meckering Line further complicates the picture.

The surface environment is also very complex – weathered profiles, stripped profiles, and remnants of much younger rocks (probably related to the events described above) and of course the agricultural history makes it difficult to interpret surface geochemistry.

The YAJV has developed an extensive coverage of airborne EM data through the area. This is designed principally to identify basement conductors such as copper sulphides. The technique does however map geology by differentiating the natural conductivity variability. It should also recognise supergene mineralisation, the copper oxides for example that will lie above deeper sulphides.

This data has been integrated against our other data sets and a range of targets have been identified. The most significant of these appear to be those developed along the line of mineralisation that extends between Centre Forrest and Southern Brook where there is good geochemical support. This is a significant advance in the knowledge of the area.

Drilling is programmed for early in 2010 to take advantage of the intermission between harvest and sowing.

I have focussed on the key projects as we see them at present. I believe it is a formidable selection for a small company like Mindax. Our philosophy is to maintain a wide exploration watch. We have programs directed to support our existing projects or to move us into new areas or commodities. We look for opportunities that will enable us to add value with our expertise. Our primary goal remains on establishing resources and continuing to build Mindax.

Thank you.



**Gregory Bromley**  
Managing Director

19 November 2009