



ASX ANNOUNCEMENT

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Corporate Description

Mindax's Mt Forrest Iron Project is progressing through feasibility with a view to mining at the end of 2013.

The company is carefully putting in place necessary approvals and aligning infrastructure partners including rail and port.

Coupled with its significant iron assets, Mindax is also the greenfields discoverer of a new uranium province near Mukinbudin, Western Australia.

Through technically advanced exploration and an eye for detail, Mindax has successfully built a significant portfolio of 37 mineral exploration and mining tenements covering over 4,000 square kilometres. In addition, Mindax has applications in place for water and infrastructure covering over 2,400 square kilometres in support of the Mt Forrest Iron Project development.

Mindax aims to develop strategic resources through innovative exploration. Higher yield projects will be moved to production via strategic partnerships.

Key Projects

Mt Forrest	DSO Iron, Magnetite
Yilgarn-Avon JV	Sedimentary Uranium
Mortlock JV	Copper-Gold

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HEADS OF AGREEMENT (HOA) SIGNED WITH SUMITOMO CORPORATION

HIGHLIGHTS

- Mindax Limited (**Mindax** or **Company**) proposes to form a strategic partnership with Japan's Sumitomo Corporation (**Sumitomo**), one of the largest worldwide, diversified trading groups to fast track feasibility and development of the direct shipping ore (**DSO**) component of Mindax's Mt Forrest Iron Project (**Project**).
- It is proposed that Sumitomo will have the right to acquire up to a **70%** interest in the Project by way of **farm-in**, spending up to **AU\$115 million** in stages (**Transaction**).
- Sumitomo has been granted exclusivity for two months to undertake due diligence. In consideration for such exclusivity, Sumitomo has agreed to **pay Mindax AU\$1 million in two equal non-refundable instalments**, payable monthly in advance with the first instalment having been paid on execution of the HOA, which is otherwise not binding on the parties.
- Subject to due diligence findings and necessary approvals to proceed the Transaction, Mindax and Sumitomo intend to negotiate and execute a binding Framework Agreement and Joint Venture Agreement to incorporate full terms, and formalise the proposed Transaction.

Mindax Limited (**Mindax** or **Company**) announces that it and its wholly owned subsidiary, Yilgiron Pty Ltd, propose to form a strategic partnership with Japan's Sumitomo Corporation (**Sumitomo**). Sumitomo is one of the largest worldwide, diversified trading groups. Mindax and Sumitomo have signed a Heads of Agreement (**HOA**), which aside from the exclusivity provisions is not binding, aimed at fast tracking feasibility and development of the direct shipping ore (**DSO**) component of Mindax's Mt Forrest Iron Project (**Project**).

A summary of the principal terms of the HOA follows:

- Sumitomo is considering acquiring, by way of **farm-in**, up to a 70% interest in the Project by contributing or guaranteeing certain expenditure in relation to the Project feasibility and development (**Transaction**). In consideration of entering into the HOA, Sumitomo has been granted exclusivity for a period of two months during which time Sumitomo will undertake due diligence on the Project to decide whether to proceed with the Transaction. In consideration for such exclusivity, Sumitomo has agreed to **pay Mindax AU\$1 million in two equal non-refundable instalments**, payable monthly in advance with the first instalment already paid on execution of the HOA.
- During the **pre-feasibility and feasibility stages** (collectively, **Feasibility Stages**) (if Sumitomo decides to proceed with the Transaction), it is proposed Sumitomo will have the right to acquire, through incurring or guaranteeing certain expenditure to assess the feasibility of the Project of up to **AU\$15 million**, a 45% interest in the Project.
- During the **Development Stage** (if applicable), it is proposed Sumitomo will have the right to acquire, through incurring or guaranteeing 90% of certain further expenditure of up to **AU\$100 million** to develop the Project, a further 25% in the Project (ie, 70% in aggregate).
- Subject to due diligence findings and any further Board and statutory approvals required to proceed with the Transaction, the parties intend to negotiate and execute the following documents to formalise the proposed Transaction:
 - a) a framework agreement (**Framework Agreement**) to set out legally binding rights and obligations of the parties with respect to the Transaction and to coordinate and facilitate, among other things:
 - (i) Sumitomo's acquisition of an interest in the Project, by way of a farm-in;
 - (ii) the relationship between the parties during the Feasibility and Development Stages (if applicable); and
 - (iii) the principles that will apply to the Joint Venture and be set out in the documents mentioned below; and
 - b) a **Joint Venture Agreement** together with such related or other documents as the parties consider necessary or desirable such as a **Management Agreement**.

Greg Bromley, Managing Director of Mindax Limited, commented as follows:

"Mindax is looking forward to working with Sumitomo to develop the Mt Forrest Project. Our strategic relationship with Sumitomo is a key to unlocking the value of the Mt Forrest Iron Project for Mindax shareholders. It allows the incremental development of a major iron ore project in the Yilgarn Iron Province with a long life. We expect Mt Forrest to form a significant component of the mining economy of the area and the involvement of a company of Sumitomo's stature sends a very strong signal concerning prospects for the urgency of development and upgrading of infrastructure in the Goldfields-Esperance region."

This is the announcement referred to in the Company's request for a trading halt dated 28 February 2012.

ABOUT SUMITOMO CORPORATION

Sumitomo Corporation has operations in over 60 countries around the world and total assets of approximately \$100 billion. Sumitomo has operated in Australia for over 50 years and has interests in coal, copper and iron ore.

Yours sincerely,



GREGORY J BROMLEY
MANAGING DIRECTOR

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