



ABN 28 106 866 442

HALF-YEAR FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

CORPORATE DIRECTORY

DIRECTORS

Gilbert George	(Non-executive Chairman)
Stephen Ward	(Managing Director and Chief Executive Officer)
Andrew Tsang	(Non-executive Director)
Benjamin Chow	(Non-executive Director)
Kgai Mun (Eric) Loh	(Non-executive Director)

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West Perth WA 6005

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AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

COMPANY SECRETARY

Christopher Pournault

BANKERS

Commonwealth Bank
1254 Hay Street
West Perth WA 6005

Westpac Banking Corporation
465 Scarborough Beach Road
Osborne Park WA 6017

SHARE REGISTRY

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING

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

ASX Code: MDX (fully paid ordinary shares)

MINDAX LIMITED – HALF YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012

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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 2012.

1. DIRECTORS

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

Gilbert George	(Non-executive Chairman)
Stephen Ward	(Managing Director and Chief Executive Officer – commenced 30 July 2012)
Andrew Tsang	(Non-executive Director)
Benjamin Chow	(Non-executive Director)
Kgai Mun (Eric) Loh	(Non-executive Director)
John Stacpoole	(Non-executive Director - resigned 20 August 2012).

2. OPERATING RESULTS

The consolidated net loss from ordinary activities after providing for income tax amounted to \$1,156,820 (2011: loss of \$1,228,676).

3. REVIEW OF OPERATIONS

EXPLORATION

Exploration highlights for the half-year by operating segments included the following;

Iron Ore (Comprising the Mt Forrest Project)

Mineral Resource Inventory

Consolidation of the two magnetite resource models used for the magnetite mineralisation has been undertaken by Optiro in July 2012. This has increased the total Mineral Resource to 1.7Bt @ 31.8% Fe (see Table 1) and was announced to the market in July 2012.

Table 1 Mt Forrest Iron Project

Consolidated Mineral Resource Magnetite Mineralisation at a 25% Fe cut-off - July 2012:

Classification	Tonnes Mt	Mean Fe%	Mean SiO ₂ %	Mean Al ₂ O ₃ %	Mean LOI%	Mean P%	Mean S%
Indicated	248.2	32.6	47.0	1.7	1.1	0.06	0.12
Inferred	1,462.4	31.6	47.9	1.8	2.2	0.04	0.10
Total	1,710.6	31.8	47.7	1.8	2.0	0.05	0.10

Note: Some inconsistencies due to rounding may occur.

The Regolith Iron Resource is 14.7 million tonnes @ 45.4% Fe in JORC Indicated and Inferred categories (refer Table 2).

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Table 2 Regolith Iron – Resource

Resource Category	Tonnes Mt	Mean Fe%	Mean SiO ₂ %	Mean Al ₂ O ₃ %	Mean P%	Mean S%	Mean LOI%
Indicated	12.3	45.5	23.0	5.2	0.06	0.07	6.1
Inferred	2.4	44.8	26.4	4.5	0.05	0.06	4.6
Total	14.7	45.4	23.5	5.0	0.06	0.07	5.8

Note: Some inconsistencies due to rounding may occur.

Mt Forrest Project

- Significant work conducted to optimise previously released Mt Forrest Scoping Study.
- Review of capital and operating costs.
- Review and analysis on a Conceptual Production Schedule which could increase annual output and increase mine life.

DETRITAL MINERALISATION

- Reconnaissance field work and ground clearing has been completed for the drill program which commenced on the 15th of January 2013.
- Up to 6,000 metres of drilling is proposed to explore for iron reconstituted into a detrital conglomerate on the project.
- The detrital material is located off the ridges and is in the form of large flat bodies. This material has the potential to quickly add to the projects iron resources.
- Scout drilling previously reported intersected vertical thicknesses of up to 24 metres. This work is part of the Proof of Concept for the optimised DSO Scoping Study.

ADDITIONAL REGOLITH IRON UNTESTED

- Surface geological reconnaissance was conducted in areas where deeper drill intersections of high grade magnetite mineralisation would appear at surface. Encouraging mineralisation, especially significant amounts of micro platy hematite is present in a highly deformed and weathered BIF host.
- Numerous rock chip samples were taken and assay results are pending.
- Early indications are that potential additional outcropping localities occur along strike that will exhibit strong deformation as described above which are potentially new highly ranked drill targets.

ENVIRONMENTAL SURVEYS

- Level 2 Spring Flora and Fauna Surveys were completed. There were no new or rare species identified. A maleefowl expert visited the project, in particular visiting all the project “megamounds”. The review confirmed the mounds are extinct and some samples of the residual material were taken for testing. Reports are pending for all surveys.

INFRASTRUCTURE

- Mindax continues to participate in the Market Sounding exercise being conducted by the Esperance Port for a new multi-user iron ore facility.
- Sounding exercise is the first step in constructing the necessary business case for the private sector to fund, build and operate the expanded port.

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- Port expansion is necessary to allow increased iron ore exports.
- Mindax is a member of the Yilgarn Iron Producers Association (**YIPA**) who commissioned independent study reports for the proposed upgrade of the Esperance Port. The latest study is to determine the economic viability of a 10 million tonne per annum upgrade and associated mining activity. The Economic Impact Study draws to conclusion three major studies carried out by Aecom, which support a modest Esperance Port stage one upgrade as the way forward. The three studies include a Supply Chain Study in October 2012, an Esperance Port Financial Study in December 2012 and an Economic Impact Study in January 2013.
- Mindax is also maintaining ongoing discussions with rail and trucking companies, energy suppliers, the Shire of Menzies and other stakeholders.

HERITAGE

- In accordance with the Cultural Heritage Advisory Committee recommendations, individual stakeholder meetings were conducted by the Company.
- These meetings provided an opportunity to communicate the project status and the proposed future exploration and mining works as well as meeting the Company's new MD and CEO, Steve Ward.
- The Wutha participated in the Detrital Mineralisation ground clearance program acting as monitors to ensure site avoidance.

GOLD MINERALISATION

- Following on from previous work a total of 1,353 samples were submitted for gold assay.
- The best anomalous 10 metre composite intervals were riffle split producing one metre composites from the bulk samples located at the Mindax bag farm.
- The majority of the assays returned from the drill holes represent narrow, up to 3 metre down the hole width intersections above 1 parts per million (**ppm**). The majority of the intercepts are from the regolith horizon and deeper intercepts are returned from quartz filled fractured intervals within magnetite enriched banded iron formation.
- Approximately 168 samples were found to be wet due to rainfall penetration of these samples.
- Subsequent testing of these samples were assayed by LabWest and further work will be undertaken to look into anomalous intervals to ascertain whether there is any strong continuity.
- All wet anomalous samples were subsequently dried at the lab and riffle split for fire assay.

YAJV URANIUM PROJECT (Uranium)

Mineral Resource Inventory

The mineral resource for the uranium mineralisation at the Mukinbudin Project is estimated to be 3.2Mlbs at 0.02% U₃O₈ using a 100ppm (0.01%) U₃O₈ cut-off. This resource is classified as inferred and has been reported in accordance with the JORC Code 2004. Table 3 shows the mineral resource as estimated by Optiro.

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Table 3 Resource Tabulation by Prospect at 100ppm U₃O₈ cut-off

Prospect	Category	Tonnes [Mt]	Metal [t]	Grade [%]	Grade [ppm]	U ₃ O ₈ [Mlbs]
Jindarra	Inferred	1.86	500	0.03	273	1.12
Yandegin	Inferred	4.36	950	0.02	221	2.12
Total	Inferred	6.22	1,450	0.02	237	3.24

Note: Some inconsistencies due to rounding may occur.

MUKINBUDIN, KELLERBERRIN, QUAIRADING PROJECTS COMPRISING 1,485 KM²

MINDAX ENERGY PTY LTD (77% AND OPERATOR) WITH QUASAR RESOURCES PTY LTD (23%)

- An updated equity position statement was issued and accepted by Quasar Resources Pty Ltd (**Quasar**). The current equity interest of the Joint Venture partners is Mindax Limited 77.17% and Quasar 22.83%.
- Quasar has informed Mindax that it will not be contributing financially to the 2013 exploration programs.
- An extensive review of project tenements was undertaken.
- A significant number of tenements were relinquished resulting in a reduction in tenement rents and rates and a reduction in minimum statutory expenditure obligations.
- No priority targets were surrendered.
- Planning and budgeting of the exploration programs for 2013 is continuing.
- Discussions are continuing with Quasar with respect to their involvement in the Yilgarn-Avon Joint Venture.

YAJV MORTLOCK PROJECT (Copper, Gold)

MINDAX ENERGY PTY LTD (77% AND OPERATOR) WITH QUASAR RESOURCES PTY LTD (23%) (INCLUDES SIPA JV E70/2518-19/21 - YAJV 51% AND OPERATOR)

- No significant work was undertaken on this project for the 6 months ended 31 December 2012.
- Planning and budgeting of the exploration programs for 2013 is in progress.
- Part of Exploration License E70/3820 was relinquished.

MEEKATHARRA NORTH PROJECT (Gold)

MINDAX (100% AND OPERATOR) WITH JV EARN-IN PHASE COMMENCED

- The 2013 field program is fully funded by the \$2.5 million farm-in agreement signed on 11 October 2012.
- First monies were received from the Joint Venture partner during the period and applied to a ground geophysical survey that was completed in mid-January 2013.
- The geophysical contractor is compiling the data for processing and interpretation.
- Data should be provided to Mindax geologists in early 2013 to begin drill hole planning.
- Minimum expenditure of \$0.5M on exploration required before August 2013.
- An exploration program has been developed for the initial \$0.5M with drilling to commence in Q2 2013.
- A further \$2M to be spent over the next 3 years for the farm-in partner to earn 51% equity in the project.
- Mindax will continue manage the project during the earn-in period.
- The project is highly prospective and adjacent to the recent gold find at Andy Well by Doray Minerals.

COMPETENT PERSONS' STATEMENT

The information in this report that relates to mineral resource estimates for Iron and Uranium ("the estimates") are reported under the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves for Iron and Uranium (JORC Code, 2004 Edition) ("the Code").

In relation to the YAJV, Dr Katrin Kärner is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking to qualify as a competent person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Kärner is a full-time employee of Optiro Pty Ltd, and the Company holds a prior consent to include the matters based on her information in the context in which it appears in this report.

In relation to the Mt Forrest Iron Project, the information in this report that relates to Mineralisation, Exploration and Drilling Results is based on information compiled by Mr John Vinar who is a member of the Australasian Institute of Mining and Metallurgy, with more than 5 years' experience in the field of activity being reported on. Mr Vinar is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The Company holds a prior consent from Mr Vinar to include the matters based on his information in the context in which it appears in this report.

Also in relation to the Mt Forrest Iron Project, the mineral estimates have been completed by Mr Michael Andrew who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a competent person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Andrew is a full-time employee of Optiro Pty Ltd, and the Company holds a prior consent to include the matters based on his information in the context in which it appears in this report.

CORPORATE

CHIEF EXECUTIVE OFFICER RECRUITMENT

On 30 July 2012 the Company appointed Dr Stephen Ward as its new Managing Director and Chief Executive Officer following an extensive search and recruitment process.

Dr Ward has over 30 years' experience in the mining, minerals processing and chemicals industries and has significant Board and business leadership experience.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

On 20 August 2012 Mr John Stacpoole resigned from the Board and accepted a new full time executive role with a major contractor involved in the Iron Ore sector.

CAPITAL MOVEMENTS RAISINGS

Placements

On 7 September 2012 the Company completed a placement of 8,000,000 ordinary fully paid shares at \$0.085 per share and raised gross proceeds of \$680,000. The placement was made to a number of sophisticated and professional investors and the securities utilised the balance of the Company's available 15% placement

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capacity. Funds raised from the placement were applied to the Company's project activities and to provide working capital.

On 3 December 2012 the Company completed a placement of 29,492,537 shares at \$0.085 per share and raised gross proceeds of \$2,506,866. The placement was made to existing and new sophisticated investors and represented a premium to the Company's share price. Funds raised from the placement were applied to the Company's project activities and to provide working capital.

Convertible Note

On 27 September 2012 the Company issued a Convertible Note for \$399,000 to Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang. A key term of the Note and a condition precedent to its conversion into shares was that shareholder approval to its conversion be obtained. This was obtained at the Company's 2012 Annual General Meeting (**AGM**) held on 30 November 2012.

On 3 December 2012 the Company converted the convertible note and allotted 4,694,118 fully paid ordinary shares, at a price of \$0.085 per share, to Ms Lai You.

Funds raised from the above fund raising activities were applied to the Company's project activities and to provide working capital.

Expiry of Unlisted Options

On 1 August 2012 250,000 unlisted employee options with an exercise price of \$0.53 expired without exercise.

On 12 October 2012 300,000 unlisted employee options with an exercise price of \$0.48 expired without exercise.

Issue of Unlisted Options to the Company's Managing Director & Chief Executive Officer

On 9 November 2012, following the approval of shareholders at an EGM held on 1 November 2012, the Company issued Dr Stephen Ward 4,000,000 unlisted employee options with an exercise price of \$0.108 per option, expiring 9 November 2015. These options will vest with Dr Ward after 1 year from the date of issue (ie: on 9 November 2013).

Issue of Unlisted Options to the Company's Non-executive Directors.

On 10 December 2012, following the approval of shareholders at the abovementioned AGM, the Company issued the Company's non-executive directors a total of 2,500,000 unlisted options with an exercise price of \$0.11 per option, expiring 10 December 2015. These options will vest after 1 year from the date of issue (ie: on 10 December 2013).

Exercise of Unlisted Options

On 20 December 2012 the Company issued 2 ordinary shares from the conversion of options with an exercise price of \$0.35 per option and an expiry date of 31 May 2015.

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MEETINGS OF SHAREHOLDERS

Extraordinary General Meeting

On 1 November 2012 the Company convened a general meeting of shareholders to consider the ratification of the allotment and issue of shares as well as seeking approval for the issue of options to the Company's Managing Director & Chief Executive Officer. All resolutions set out in the notice of meeting dated 27 September 2012 were passed unanimously on the requisite show of hands.

2012 Annual General Meeting

The AGM of shareholders of the Company was held on 30 November 2012. All resolutions set out in the notice of meeting dated 17 October 2012 were passed on the requisite show of hands.

4. SUBSEQUENT EVENTS

Capital Raising

On 8 January 2013, the Company announced it had secured commitments for a placement of 16,500,000 ordinary fully paid shares at ten (10) cents per share to raise gross proceeds of \$1,650,000 (before associated issue costs). The placement was finalised on 14 January 2013. The funds are to be used as additional working capital.

On 5 February 2013, the Company announced it had secured commitments for a placement of 5,000,000 ordinary fully paid shares at ten (10) cents per share to raise gross proceeds of \$500,000 (before associated issue costs). The placement was finalised on 7 February 2013. The funds are to be used as additional working capital.

5. AUDITOR'S DECLARATION

A copy of the independence declaration by the lead auditor under section 307C of the Act is included on page 10 to this half-year financial report.

DIRECTORS' DECLARATION

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:



Stephen Ward
Managing Director

Dated at Perth this 27th day of February 2013

27 February 2013

The Board of Directors
Mindax Limited
Level 2, 25 Richardson Street
WEST PERTH WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor for the review of Mindax Limited for the half-year ended 31 December 2012, 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
- no contraventions of 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.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	31 Dec 2012	31 Dec 2011
	\$	\$
Revenue from continuing operations	50,214	112,237
Other income	3,414	7,206
Advertising	(38,189)	(42,063)
ASX fees	(37,131)	(48,681)
Depreciation and amortisation expense	(8,774)	(12,672)
Directors fees	(139,948)	(96,319)
Employee benefits expense	(547,554)	(381,722)
Share based payments – employee options	(24,693)	(146,000)
(Write-off)/Recovery of exploration expenditure	(45,681)	(150,959)
Corporate management fees	(33,336)	(119,603)
Consulting fees	(32,296)	(89,804)
Occupancy expense	(16,514)	(16,876)
Travel expenses	(115,926)	(84,319)
Other expenses	(170,406)	(159,101)
Loss before income tax	<u>(1,156,820)</u>	<u>(1,228,676)</u>
Income tax benefit	-	-
Net loss for the half year	<u>(1,156,820)</u>	<u>(1,228,676)</u>
Other comprehensive income	-	-
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive loss for the half-year	<u>(1,156,820)</u>	<u>(1,228,676)</u>
Loss for the half-year is attributable to:		
Owners of Mindax Limited	<u>(1,156,820)</u>	<u>(1,228,676)</u>
Total comprehensive loss for the half-year is attributable to:		
Owners of Mindax Limited	<u>(1,156,820)</u>	<u>(1,228,676)</u>
Earnings per share for loss from continuing operations attributable to ordinary equity holders of the Company		
Loss per share:		
Basic and diluted (cents per share)	(0.597)	(0.773)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2012

	(Note)	31 Dec 2012 \$	30 June 2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,950,425	2,201,405
Trade and other receivables		196,460	162,842
Prepayments		87,666	42,210
TOTAL CURRENT ASSETS		<u>4,234,551</u>	<u>2,406,457</u>
NON-CURRENT ASSETS			
Property, plant & equipment		260,184	278,931
Exploration & evaluation expenditure		21,881,783	20,718,976
Other non-current assets		2,885	2,885
TOTAL NON-CURRENT ASSETS		<u>22,144,852</u>	<u>21,000,792</u>
TOTAL ASSETS		<u>26,379,403</u>	<u>23,407,249</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		786,848	423,466
Provisions		81,012	100,637
TOTAL CURRENT LIABILITIES		<u>867,860</u>	<u>524,103</u>
TOTAL LIABILITIES		<u>867,860</u>	<u>524,103</u>
NET ASSETS		<u>25,511,543</u>	<u>22,883,146</u>
EQUITY			
Contributed equity	(5)	37,636,430	33,875,906
Reserves		704,844	680,151
Accumulated losses		<u>(12,829,731)</u>	<u>(11,672,911)</u>
TOTAL EQUITY		<u>25,511,543</u>	<u>22,883,146</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Contributed equity \$	Accumulated losses \$	Equity reserves \$	Total equity \$
Balance at 1 July 2011	27,752,473	(9,369,973)	624,151	19,006,651
Comprehensive loss for the half-year		(1,228,676)		(1,228,676)
Adjustment to accumulated losses		(3,724)		(3,724)
Total comprehensive loss for the half-year		(1,232,400)	-	(1,232,400)
Transactions with owners in their capacity as owners				
Shares and options issued during the year	4,750,007	-	146,000	4,896,007
Transaction costs	(379,271)	-	-	(379,271)
Subtotal	4,370,736	-	146,000	4,516,736
Balance at 31 December 2011	32,123,209	(10,602,373)	770,151	22,290,987
Balance at 1 July 2012	33,875,906	(11,672,911)	680,151	22,883,146
Comprehensive loss for the half-year		(1,156,820)	-	(1,156,820)
Total comprehensive loss for the half-year		(1,156,820)	-	(1,156,820)
Transactions with owners in their capacity as owners				
Shares and options issued during the year	3,586,210	-	24,693	3,610,903
Application for shares allotted	300,000	-	-	300,000
Transaction costs	(125,686)	-	-	(125,686)
Subtotal	3,760,524	-	24,693	3,785,217
Balance at 31 December 2012	37,636,430	(12,829,731)	704,844	25,511,543

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	(Note)	31 Dec 2012 \$	31 Dec 2011 \$
Cash flows from operating activities			
Interest received		43,700	101,982
Other revenue		-	-
Payments to suppliers and employees		(1,286,654)	(1,082,804)
Net cash (outflow) from operating activities		<u>(1,242,954)</u>	<u>(980,822)</u>
Cash flows from investing activities			
Payments for:			
Property, plant & equipment		(11,621)	(35,719)
Exploration expenditure		(982,615)	(2,141,443)
Proceeds from:			
Sale of property, plant & equipment		-	30,000
Net cash (outflow) investing activities		<u>(994,236)</u>	<u>(2,147,162)</u>
Cash flows from financing activities			
Proceeds from issue of shares		3,586,210	4,750,007
Application for shares allotted	(5)	300,000	-
Joint Venture funds received		100,000	-
Transaction costs from issue of shares		-	(391,680)
Net cash inflow/(outflow) by financing activities		<u>3,986,210</u>	<u>4,358,327</u>
Net increase/(decrease) in cash held		1,749,020	1,230,343
Net cash at beginning of the period		<u>2,201,405</u>	<u>1,974,376</u>
Net cash at the end of the period		<u>3,950,425</u>	<u>3,204,719</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

This general purpose interim financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial 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 2012 and any public announcements made by Mindax Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Act.

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

IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE ENTITY:

Other than AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle there were no new standards issued since 30 June 2012 that have not been applied by Mindax.

The 30 June 2012 annual report disclosed that Mindax anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of these standards issued but not yet applied, and this remains the assessment as at 31 December 2012.

NOTE 2 – SEGMENT INFORMATION

The operating segments for the Group have been disaggregated into four reportable segments based on the minerals present in the Projects detailed in the Quarterly Activities Report released to the Australian Securities Exchange each quarter, prepared by the Managing Director. Based on the contents of this report, the four reportable segments identified are:

1. Uranium (comprising the Yilgarn Avon Joint Venture – Palaeochannel Project and other non JV projects).
2. Gold (comprising the Meekatharra North Project).
3. Copper and Gold (comprising the Yilgarn Avon Joint Venture – Mortlock Project).
4. Iron Ore (comprising the Mt Forrest Project and Fred’s Bore Project).

Segment information provided to the directors of the Company for the half-year ended 31 December 2012 is as follows:

Half-year ended	Uranium	Gold	Copper and Gold	Iron Ore	Total
31 December 2012	\$	\$	\$	\$	\$
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	-	-	(45,681)	-	(45,681)

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NOTE 2 – SEGMENT INFORMATION (CONTINUED)

Half-year ended	Uranium	Gold	Copper and Gold	Iron Ore	Total
31 December 2011	\$	\$	\$	\$	\$
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	-	(9,423)	(141,536)	-	(150,959)
Total segment assets					
31 December 2012	4,563,275	862,161	997,346	15,459,001	21,881,783
30 June 2012	4,463,608	815,927	932,183	14,507,258	20,718,976

Reconciliation of reportable segment loss to profit before income tax is as follows:

	Consolidated	
	31 Dec 2012	31 Dec 2011
	\$	\$
Total profit or loss for reportable segments	(45,681)	(150,959)
Intersegment eliminations	-	-
<u>Unallocated amounts</u>		
Interest revenue	50,214	97,773
Other revenue	3,414	21,670
Depreciation and amortisation	(8,774)	(12,672)
Employee benefits expense	(547,554)	(381,722)
Share-based payments	(24,693)	(146,000)
Other expenses	(583,746)	(656,766)
Loss before income tax from continuing operations	(1,156,820)	(1,228,676)

Total asset amounts provided to the Board of directors are measured in the same way that they are measured in the financial statements. Segment assets are allocated based on the operations of the segment and the physical location of the assets.

NOTE 3 – CONTINGENT ASSETS AND LIABILITIES

A term deposit of \$20,000 has been secured by the Company's bankers to provide a bank guarantee in favour of the Minister for State Development as an unconditional performance bond on E57/555.

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A term deposit of \$124,042 has been secured by the Company's bankers to provide a bank guarantee in support of the lease agreement for the Company's business premises.

As reported in the 30 June 2012 Annual Report Mindax and a contract driller were involved in a dispute for 'standby charges' applied to invoices rendered to Mindax. This matter was subsequently settled out of court in November 2012.

Since the last annual reporting date, there has been no other material change in any contingent liabilities or contingent assets.

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

PLACEMENTS

On 7 September 2012 the Company completed a placement of 8,000,000 ordinary fully paid shares at \$0.085 per share and raised gross proceeds of \$680,000. The placement was made to a number of sophisticated and professional investors and the securities utilised the balance of the Company's available 15% placement capacity. Funds raised from the placement were applied to the Company's project activities and to provide working capital.

On 3 December 2012 the Company completed a placement of 29,492,537 shares at \$0.085 per share and raised gross proceeds of \$2,506,866. The placement was made to existing and new sophisticated investors and represented a premium to the Company's share price. Funds raised from the placement were applied to the Company's project activities and to provide working capital.

On 28 December 2012 the Company received applications for shares from sophisticated investors totalling \$1,650,000. As at balance date an amount of \$300,000 had been received. Subsequent funds were received and the placement settled on 11 January 2013.

ISSUE OF SHARES AND OPTIONS

Conversion of Convertible Note

On 3 December 2012 the Company converted the convertible note and allotted 4,694,118 fully paid ordinary shares, at a price of \$0.085 per share (refer to Note 7 below for further detail).

Issue of Unlisted Options to the Company's Managing Director & Chief Executive Officer

Following the approval of shareholders at an Extraordinary General Meeting (EGM) held on 1 November 2012, the Company issued Dr Stephen Ward 4,000,000 unlisted employee options with an exercise price of \$0.108 per option, expiring 9 November 2015. These options will vest with Dr Ward after 1 year from the date of issue (i.e.: on 9 November 2013). The options were issued on 9 November 2012. The expense arising from the transaction at grant date is \$4,977. The fair value at grant date is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the option term, the share price at grant date and expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

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Issue of Unlisted Options to the Company's Non-executive Directors.

Following the approval of shareholders at the Company's Annual General Meeting held on 30 November 2012, the Company issued its non-executive directors a total of 2,500,000 unlisted options with an exercise price of \$0.11 per option, expiring 10 December 2015. These options will vest after 1 year from the date of issue (i.e.: on 10 December 2013). The options were issued on 10 December 2012. The expense arising from the transaction at grant date is \$19,716. The fair value at grant date is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the option term, the share price at grant date and expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

Exercise of Unlisted Options

On 20 December 2012 the Company issued 2 ordinary shares from the conversion of options with an exercise price of \$0.35 per option and an expiry date of 31 May 2015.

NOTE 6 – EQUITY SECURITIES CANCELLED

The following options issued by the Company expired without exercise:

1. 250,000 unlisted employee options with an exercise price of \$0.53 expired on 1 August 2012.
2. 300,000 unlisted employee options with an exercise price of \$0.48 expired on 12 October 2012.

NOTE 7 - RELATED PARTY TRANSACTIONS

Conversion of Convertible Note

On 27 September 2012 the Company issued a Convertible Note for \$399,000 to Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang. A key term of the Note and a condition precedent to its conversion into shares was that shareholder approval to its conversion be obtained. This was obtained at the Company's 2012 Annual General Meeting held on 30 November 2012.

On 3 December 2012 the Company converted the convertible note and allotted 4,694,118 fully paid ordinary shares, at a price of \$0.085 per share, to Ms Lai You.

Funds raised from the above fund raising activities were applied to the Company's project activities and to provide working capital.

NOTE 8– EVENTS OCCURRING AFTER THE REPORTING PERIOD

Capital Raising

On 8 January 2013, the Company announced it had secured commitments for a placement of 16,500,000 ordinary fully paid shares at ten (10) cents per share to raise gross proceeds of \$1,650,000 (before associated issue costs). The placement was finalised on 14 January 2013. The funds are to be used as additional working capital.

On 5 February 2013, the Company announced it had secured commitments for a placement of 5,000,000 ordinary fully paid shares at ten (10) cents per share to raise gross proceeds of \$500,000 (before associated issue costs). The placement was finalised on 7 February 2013. The funds are to be used as additional working capital.

DECLARATION BY DIRECTORS

In the directors' opinion:

- a) The financial statements and notes, set out on pages 11 to 18 are in accordance with the *Act* and:
 - i. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. give a true and fair view of the consolidated entity's financial position, as at 31 December 2012 and of its performance for the half-year ended on that date, and
- b) There are reasonable grounds to believe that Mindax Limited 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 directors.



Stephen Ward
Managing Director

Dated at Perth this 27th day of February 2013

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mindax Limited, which comprises the consolidated balance sheet as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mindax Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



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 2012 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 Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'Phillip Murdoch', written over a horizontal line.

Phillip Murdoch
Director

Perth, Western Australia
Dated this 27th day of February 2013