



ASX ANNOUNCEMENT

Day Month 2013

ASX Code: MDX

ABN: 28 106 866 442

Corporate Description

Mindax's Mt Forrest Iron Project is progressing through feasibility with a view to mining at the end of 2014.

Mindax is also the greenfields discoverer of a new uranium province near Mukinbudin, Western Australia.

Mindax also has exploration projects based in Western Australia which involve Gold and Copper.

Through technically advanced exploration and an eye for detail, Mindax has successfully built a significant portfolio of 34 mineral exploration and mining tenements covering over 2,100 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. Projects will be moved to production including via strategic partnerships.

Key Projects

Mt Forrest	Iron
Yilgarn-Avon JV	Sedimentary Uranium
Mortlock JV	Copper-Gold
Meekatharra JV	Gold

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COMPANY DEFINING AGREEMENT SIGNED

- Binding Agreement signed with Perpetual Mining Holding Limited (**PMHL**) of Hong Kong
- Agreement is subject to satisfactory completion of various conditions precedent and securing regulatory and shareholder approvals:
- PMHL will acquire 51% of current Mindax (**MDX**) subsidiary Yilgiron Pty Ltd (**YPL**) for a consideration of \$52.3M. YPL will become the Joint venture vehicle for the Mt Forrest Iron project. The shares will be issued as partially paid. There will be an initial payment of \$8,297,000 on subscription. In the initial subscription 82,875,000 shares will be fully paid up. As to the balance of the subscription price \$10 million is to be paid to fund operating expenses and completion of a feasibility study and the balance of the subscription price, \$34,049,750 is to be paid in connection with the development of the mine. As explained later in this announcement, it is intended that the partially unpaid shares will be paid up progressively against the above expenditure. The Agreement contains provisions which may require the outstanding subscription price to be paid through a call if certain milestones are not met (referred to below). If the call is not met then the shares which are not fully paid may ultimately be forfeited.
- MDX will issue 25M ordinary shares to PMHL and investors to be introduced by it at 10c per share to give gross proceeds of \$2.5M to fund future MDX activities outside of Mt Forrest.
- Subject to final advice, MDX proposes to issue 4 bonus ordinary MDX shares for each existing ordinary MDX share to all shareholders for zero consideration.
- The Agreement (defined below) secures the way forward for the Mt Forrest Iron Project and enables it to be fast tracked towards production, provides significant funding for other MDX activities, rewards existing MDX shareholders and creates potential to improve MDX share trading liquidity.

Mindax Limited (**MDX or the Company**) refers to its announcement released to the market on 26 March 2013 (and related announcements on 9 April 2013 and 11 June 2013) regarding the proposal for its wholly owned subsidiary, Yilgiron Pty Ltd (**YPL**) to form a strategic partnership with Perpetual Mining Holding Limited (**PMHL**) of Hong Kong for the Mount Forrest Iron Project.

MDX is pleased to announce that a binding Shareholders and Development Agreement Relating to YPL (**Agreement**) has now been signed with PMHL.

A summary of the principal terms of the Agreement are as follows:

- PMHL will acquire 51% of current MDX subsidiary YPL for a total consideration of \$52.3M. As referred to above, part of the subscription price \$8,297,000 will be paid on subscription and the balance will be paid in connection with completion of the feasibility study and the construction of the mine. MDX will convert its current intercompany loan of approximately \$17m to YPL into equity in YPL and MDX will hold 49% of the increased share capital. YPL will be the vehicle which owns the Mt Forrest Iron Project and associated infrastructure tenements.
- The feasibility study must be completed by 30 June 2014 or such later date as MDX and PMHL agree and if it is not a call may be made for the balance of the subscription price to be paid. If Force Majeure delays the completion of the feasibility study, there may be an extension of time up to 30 June 2015. At that point MDX and PMHL will discuss the implementation of the project and if another course of action has not been agreed within 60 days a call may be made for the balance of the outstanding subscription price.
- The balance of the subscription price must be paid by 31 December 2015, or such later date as MDX and PMHL agree (subject as mentioned below). The time for payment may be extended by Force Majeure up to 31 December 2016. At that point MDX and PMHL will discuss the implementation of the project and if another course of action has not been agreed within 60 days a call may be made for the balance of the outstanding subscription price.
- A call may only be made for the balance of the subscription price if the Company has been allocated legally binding port capacity and access to ship iron ore. If port access has not been granted by 30 September 2016 MDX and PMHL will discuss the implementation of the project and if another course of action has not been agreed within 92 days a call may be made for the balance of the outstanding subscription price.
- If a call is made for the outstanding subscription price and payment is not made, the shares issued to PMHL which have not been fully paid may ultimately be forfeited.
- Yilgiron Infrastructure Pty Ltd (**YIPL**) will become a subsidiary of YPL giving YPL full use of all infrastructure tenements and rights owned by YIPL.

- YPL will be a standalone Joint Venture (**JV**) entity between MDX and PMHL. It will be controlled by PMHL from the outset of the JV. YPL will have four Board members, two each from PMHL and MDX. A number of key YPL business decisions will require unanimous YPL Board or shareholder approval to protect the interests of both shareholders.
- YPL owns all rights to the Mt Forrest Iron Project tenements and will be responsible for development and operation of DSO and Magnetite projects. Initial focus will be to fast track the DSO project towards production.
- The Subscription will take place within 30 Business Days from the date on which the conditions precedent are satisfied. From the initial subscription payment of \$8.29M, YPL will reimburse MDX approximately \$2.7M for work undertaken on the Optimised Scoping Study in the period November 2012 to August 2013. YPL will also pay MDX approximately \$600K for work undertaken on the Mt Forrest Iron Project from September 2013 until the execution date of the Agreement.
- After PMHL has made all payments in respect of subscription for its shares, MDX and PMHL each has the right to contribute additional funds to YPL as required for future YPL activities in proportion to their prevailing shareholdings once the initial funding of \$52.3m has been provided by PMHL.
- Dividends will be paid as follows to take account of production of DSO:
 - 1st 2 Mt produced-PMHL 75% and MDX 25%
 - 2nd 2Mt produced-PMHL 65% and MDX 35%
 - 3rd 2Mt produced-PMHL 25% and MDX 75%
 - 4th 2 Mt produced-PMHL 35% and MDX 65%.
 Thereafter dividends will be distributed according to shareholdings.
- MDX will issue 25M ordinary MDX shares to PMHL and investors to be introduced by it for 10c per new ordinary share which will raise gross proceeds of \$2.5M. (These funds together with other monies received from PMHL noted above will provide a significant cash balance to support other MDX activities outside of Mt Forrest for some considerable time).
- Subject to final advice, MDX proposes to make a Bonus Share Issue to all shareholders, including those from the 25M placement noted above, of four new MDX ordinary shares for each one existing MDX share. The Bonus Share Issue will be for zero consideration. (The Bonus issue will reward existing shareholders and provide potential for increased share trading liquidity. MDX liquidity has historically been quite low and in the view of the Board this prevents the true value of the Company being reflected in the share price.)
- The issue of 25M new ordinary MDX shares and MDX Bonus Share Issue are preconditions to the Mt Forrest Iron project Joint venture proceeding.

- The Agreement is subject to a number of other conditions precedent including successfully receiving all regulatory and shareholder approvals.) Approval under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) will also be required. The conditions precedent must be met by 31 January 2014 or such later date as MDX and PMHL agree, failing which either party may terminate the agreement.
- MDX intends to arrange an Extraordinary General meeting of Shareholders in due course to enable shareholders to consider and vote on the Agreement. An Independent Expert's Report will be provided to shareholders with the notice of the meeting.

Mindax Managing Director and CEO Dr Steve Ward commented 'We are delighted to have PMHL as our strategic partner. PMHL and Mindax have worked together very closely over the past few months to finalise this agreement. In extraordinary times, we have felt the need to be innovative in planning our future. This agreement secures the way forward for the Mt Forrest Project, provides funding for our other activities, rewards our existing shareholders and creates potential to improve our share trading liquidity. We have given each of these matters serious consideration in the past few months and are very pleased with this outcome'.

About PMHL

PMHL is a Hong Kong based investment company with significant business connections within China. PMHL's stakeholders have experience with iron ore production and within the iron ore industry in general. PMHL is supported by some existing Mindax investors who have introduced PMHL to the Company. These include those investors with whom Mindax has formed the Meekatharra Gold Project farm-in Joint venture. They have further demonstrated their support for Mindax by setting up and investing in PMHL to enable the proposed strategic partnership between Mindax and PMHL for the development of Mt Forrest.

[This is the announcement referred to in the Company's request for a trading halt dated 14 October 2013.]

End of Announcement

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