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MINDAX LIMITED
ABN 28 106 866 442
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2016

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 2016 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*.

MINDAX LIMITED
31 DECEMBER 2016

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MINDAX LIMITED
31 DECEMBER 2016

DIRECTORS' REPORT

Your directors are pleased to 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 2016.

DIRECTORS

The names of the directors who held office during or since the end of the half-year, to the date of this report, are:

Mr Benjamin Chow

Mr Andrew Tsang

Mr Kgai Mun Loh

Mr Yonggang Li

OPERATIONS AND FINANCIAL REVIEW

A summary of consolidated revenues and results for the half-year is set out below:

	2016		2015	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and loss	2	(239,821)	43	(656,582)

Mindax Limited ('Mindax' or 'the Company') is a Perth-based mineral exploration company. The Company maintained its consolidated tenement holding for the Mt Forest Iron Project during the half year ended 31 December 2016, however a 100% interest in Exploration Licence 51/1705, located in the Meekatharra Region of Western Australia, was acquired. The acquisition was based on previous knowledge of the area, and prior work in the vicinity on tenements formerly held by the Company. The tenement is considered prospective for gold mineralisation and the Company continues to consider funding opportunities to actively explore this area and progress both Projects.

EVENTS OCCURRING AFTER REPORTING DATE

The Company signed a capital raising commitment for \$500,000 from the issue of fully paid ordinary shares at \$0.005 per share with Mr Andrew Tsang during March 2017. The commitment is to arrange funding from unrelated parties (or related parties subject to appropriate regulatory approvals) the contributions of \$200,000 by no later than 31 March 2017 and \$300,000 by no later than 30 April 2017.

No other matter or circumstance has arisen since 31 December 2016, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

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:



Benjamin Chow

Executive Chairman

Perth, 16 March 2017

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor for the review of Mindax Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. 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.



Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd
Perth, 16 March 2017

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MINDAX LIMITED
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Note	Half-year	
		2016 \$	2015 \$
Revenue from continuing operations		2	43
Administration expenses		(32,650)	(100,986)
Corporate expenses		(112,560)	(233,988)
Depreciation expense		(2,085)	(7,503)
Exploration expenditure written off	3	-	(150,870)
Salaries and employee benefits expense		(92,528)	(163,278)
LOSS BEFORE INCOME TAX		(239,821)	(656,582)
Income tax expense		-	-
LOSS FOR THE HALF-YEAR AFTER INCOME TAX		(239,821)	(656,582)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF MINDAX LIMITED		(239,821)	(656,582)
Basic and diluted loss per share (cents)		(0.0)	(0.2)

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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MINDAX LIMITED
31 DECEMBER 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 \$	30 June 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		11,539	14,491
Trade and other receivables		11,329	13,106
Prepayments		6,291	3,943
TOTAL CURRENT ASSETS		29,159	31,540
NON-CURRENT ASSETS			
Plant and equipment		28,135	30,220
Other assets		2,885	2,885
Exploration and evaluation assets	3	1,648,617	1,514,788
TOTAL NON-CURRENT ASSETS		1,679,637	1,547,893
TOTAL ASSETS		1,708,796	1,579,433
CURRENT LIABILITIES			
Trade and other payables	4	693,015	450,475
Borrowings	5	10,644	-
TOTAL CURRENT LIABILITIES		703,659	450,475
TOTAL LIABILITIES		703,659	450,475
NET ASSETS		1,005,137	1,128,958
EQUITY			
Issued capital	6	42,376,749	42,260,749
Reserves		871,452	871,452
Accumulated losses		(42,243,064)	(42,003,243)
TOTAL EQUITY		1,005,137	1,128,958

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

MINDAX LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued Capital	Share-based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2015	40,945,749	871,452	(41,007,790)	809,411
Loss for the half-year	-	-	(656,582)	(656,582)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(656,582)	(656,582)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	1,114,950	-	-	1,114,950
Share issue transaction costs	(89,950)	-	-	(89,950)
BALANCE AT 31 DECEMBER 2015	<u>41,970,749</u>	<u>871,452</u>	<u>(41,664,372)</u>	<u>1,177,829</u>
BALANCE AT 1 JULY 2016	42,260,749	871,452	(42,003,243)	1,128,958
Loss for the half-year	-	-	(239,821)	(239,821)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(239,821)	(239,821)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	146,800	-	-	146,800
Share issue transaction costs	(30,800)	-	-	(30,800)
BALANCE AT 31 DECEMBER 2016	<u>42,376,749</u>	<u>871,452</u>	<u>(42,243,064)</u>	<u>1,005,137</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Half-year	
	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(69,598)	(233,328)
Interest received	2	372
Net cash (outflow) from operating activities	(69,596)	(232,956)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(60,000)	(75,998)
Proceeds from sale of plant and equipment	-	24,011
Net cash (outflow) from investing activities	(60,000)	(51,987)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	116,000	210,000
Proceeds from borrowings	10,644	-
Net cash inflow from financing activities	126,644	210,000
Net (decrease) in cash and cash equivalents	(2,952)	(74,943)
Cash and cash equivalents at the beginning of the half-year	14,491	88,472
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	11,539	13,529

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 THE HALF-YEAR FINANCIAL STATEMENTS

This consolidated interim financial report for the half-year reporting period ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Group as full financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 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.

Critical accounting estimates and judgements

There have been no significant changes to the critical accounting estimates or judgements since the last annual reporting date.

New and amended standards adopted by the Group

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the interim reporting period.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the reporting period the Group incurred a net loss of \$239,821 (31 December 2015: \$656,582) and incurred net cash outflows from operating activities of \$69,596 (31 December 2015: \$232,956). The Group had a net working capital deficiency of \$674,500 at reporting date (30 June 2016: \$418,935).

The ability of the Group to continue as a going concern is dependent on receipt of funds under the signed capital raising (\$500,000, before costs), see note 12 for further details, the continued support from related parties and creditors and additional capital raisings through debt and/or equity. The Group is currently in negotiations with the Group's creditors to defer payment until the Group has the financial capacity to compensate them.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS (continued)

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are reasonable grounds to believe that the Group will continue as a going concern for the following reasons:

- Funds to be received under the signed capital raising (\$500,000, before costs);
- Continued support from related parties and creditors; and
- The ability to raise additional funding through debt and/or equity.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that may differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

NOTE 2: SEGMENT INFORMATION

Identification of reportable segments

For management purposes, the Group has identified two (2015: 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 management. Based on the contents of this report, the two (2015: four) reportable segments identified are:

1. 2015 only - Uranium (comprising the Yilgarn Avon Joint Venture (JV) – Paleochannel Project and other non-JV projects);
2. 2015 only - Copper and Gold (comprising the Yilgarn Avon Joint venture – Mortlock Project);
3. Gold (comprising the Meekatharra Project); and
4. Iron Ore (comprising the Mt Forrest Project (2015: included Fred Bore's Project)).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION (continued)

Segment information provided to the directors for the half-year ended 31 December 2016 is as follows:

	Uranium	Copper & Gold	Gold	Iron Ore	Total
Half-Year	\$	\$	\$	\$	\$
31 December 2016					
Total segment revenue	N/A	N/A	-	-	-
Intersegment revenue	N/A	N/A	-	-	-
Revenue from external customers	N/A	N/A	-	-	-
Reportable segment loss	N/A	N/A	-	-	-
31 December 2015					
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	(73)	-	(52,478)	(98,319)	(150,870)
Total segment assets					
31 December 2016	N/A	N/A	60,000	1,588,617	1,648,617
30 June 2016	-	-	-	1,514,788	1,514,788

Reportable segment assets and liabilities are reconciled to total assets and total liabilities as follows:

	31 December 2016	30 June 2016
	\$	\$
Segment assets	1,648,617	1,514,788
Intersegment eliminations	-	-
Unallocated		
Cash and cash equivalents	11,539	14,491
Trade and other receivables	11,329	13,106
Prepayments	6,291	3,943
Property, plant and equipment	28,135	30,220
Other non-current assets	2,885	2,885
Total assets	1,708,796	1,579,433

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION (continued)

	31 December 2016	30 June 2016
	\$	\$
Segment liabilities	-	-
Intersegment eliminations	-	-
Unallocated		
Trade and other payables	693,015	450,475
Borrowings	10,644	-
Total liabilities	703,659	450,475

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

	Half-year	
	2016	2015
	\$	\$
Total loss for reportable segments	-	(150,870)
Intersegment eliminations	-	-
Unallocated amounts		
Interest revenue	2	43
Depreciation and amortisation	(2,085)	(7,503)
Other expenses	(237,738)	(498,252)
Loss before income tax	(239,821)	(656,582)

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 December 2016	30 June 2016
	\$	\$
Exploration and evaluation assets	1,648,617	1,514,788

	Half-year	
	2016	2015
	\$	\$
Balance at 1 July	1,514,788	1,460,489
Expenditure incurred	133,829	100,527
Impairment	-	(150,870)
Balance at 31 December	1,648,617	1,410,146

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 3: EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated expenditures in respect of that area are impaired in the financial period the decision is made. Impairment recognised during the current period relates to writing off the accumulated expenditures in relation to the tenements relinquished during the period.

NOTE 4: TRADE AND OTHER PAYMENTS

	31 December 2016	30 June 2016
	\$	\$
Trade payables	256,150	101,139
Other payables and accruals	436,865	349,336
	693,015	450,475

NOTE 5: BORROWINGS

	31 December 2016	30 June 2016
	\$	\$
Non-recourse loan	10,644	-

Unsecured Non-Recourse Loan

The Company has secured short-term funding by way of an unsecured non-recourse loan from the Executive Chairman, Mr Benjamin Chow. The loan is unsecured, interest free and with no set repayment terms.

NOTE 6: ISSUED CAPITAL

Ordinary Share Capital	2016 Shares	2016 \$	2015 Shares	2015 \$
As at 1 July	544,793,570	42,260,749	269,803,570	40,945,749
Issued during the half-year				
Issued on conversion of convertible note	-	-	60,000,000	300,000
Issued on conversion of non-recourse loans	-	-	100,000,000	500,000
Issued as consideration for commissions	6,160,000	30,800	20,990,000	104,950
Issued for cash at 0.5 cents per share	23,200,000	116,000	30,000,000	150,000
Issued for cash at 1 cent per share	-	-	6,000,000	60,000
Transaction costs	-	(30,800)	-	(89,950)
As at 31 December	574,153,570	42,376,749	486,793,570	41,970,749

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 6: ISSUED CAPITAL (continued)

Options	Number of options	
	2016	2015
As at 1 July	12,500,000	19,000,000
Options expired on 31 July 2016, exercisable at 12 cents	(12,500,000)	-
Options expired on 9 November 2015, exercisable at 10.8 cents	-	(4,000,000)
Options expired on 10 December 2015, exercisable at 11 cents	-	(2,500,000)
As at 31 December	-	12,500,000

NOTE 7: CONTINGENCIES

There are no contingent liabilities or contingent assets as at the reporting date.

NOTE 8: DIVIDENDS

No dividends were paid during the half-year. No recommendation for payment of dividends has been made.

NOTE 9: COMMITMENTS

There have been no significant changes to commitments since the last annual reporting date.

NOTE 10: RELATED PARTY TRANSACTIONS

There have been no significant changes to related party transactions since the last annual reporting date other than the unsecured non-recourse loan from the Executive Chairman, refer to note 5.

NOTE 11: FAIR VALUE MEASUREMENT

There were no financial assets or liabilities at 31 December 2016 or 30 June 2016 requiring fair value estimation and disclosure as they are either not carried at fair value or in the case of short term assets and liabilities, their carrying values approximate fair value.

NOTE 12: EVENTS OCCURRING AFTER REPORTING DATE

The Company signed a capital raising commitment for \$500,000 from the issue of fully paid ordinary shares at \$0.005 per share with Mr Andrew Tsang during March 2017. The commitment is to arrange funding from unrelated parties (or related parties subject to appropriate regulatory approvals) the contributions of \$200,000 by no later than 31 March 2017 and \$300,000 by no later than 30 April 2017.

No other matter or circumstance has arisen since 31 December 2016, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

MINDAX LIMITED
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DIRECTORS' DECLARATION

In the opinion of the directors of Mindax Limited:

1. the financial statements and notes set out on pages 5 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
2. 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 directors and is signed for and on behalf of the directors by:



Benjamin Chow
Executive Chairman
Perth, 16 March 2017

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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 statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company 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 company 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 2016 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.

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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 2016 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.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report, which describes the events, which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over the printed name. The signature is stylized and includes the letters 'BDO' at the top.

Glyn O'Brien

Director

Perth, 16 March 2017

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