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MINDAX LIMITED
ABN 28 106 866 442
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2017

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 2017 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 2017

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MINDAX LIMITED
31 DECEMBER 2017

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 2017.

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:

	2017		2016	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and loss	10,008	(299,089)	2	(239,821)

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 2017, together with the Meekatharra Gold Project. The Company continues to consider all funding opportunities in order to explore and progress both Projects.

EVENTS OCCURRING AFTER REPORTING DATE

During January 2018 the Group received \$50,000 as part of a funding arrangement with Mr Tsang, a director of the Company, to provide a total of \$400,000 in funding from unrelated parties of the Company by 15 June 2018, with shares to be issued at \$0.005 each.

No other matter or circumstance has arisen since 31 December 2017, 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, 15 March 2018

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 2017, 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, 15 March 2018

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Half-year	
	2017	2016
	\$	\$
Revenue from continuing operations	8	2
Other income	10,000	-
Administration expenses	(25,155)	(32,650)
Corporate expenses	(190,459)	(112,560)
Depreciation expense	(955)	(2,085)
Salaries and employee benefits expense	(92,528)	(92,528)
LOSS BEFORE INCOME TAX	(299,089)	(239,821)
Income tax expense	-	-
LOSS FOR THE HALF-YEAR AFTER INCOME TAX	(299,089)	(239,821)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF MINDAX LIMITED	(299,089)	(239,821)
Basic and diluted loss per share (cents)	(0.05)	(0.04)

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
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		10,990	22,224
Trade and other receivables		10,756	11,002
Prepayments		8,209	2,859
TOTAL CURRENT ASSETS		29,955	36,085
NON-CURRENT ASSETS			
Plant and equipment		12,425	13,380
Other assets		2,885	2,885
Exploration and evaluation assets	3	1,848,751	1,747,025
TOTAL NON-CURRENT ASSETS		1,864,061	1,763,290
TOTAL ASSETS		1,894,016	1,799,375
CURRENT LIABILITIES			
Trade and other payables	4	1,041,869	748,139
Borrowings	5	10,644	10,644
TOTAL CURRENT LIABILITIES		1,052,513	758,783
TOTAL LIABILITIES		1,052,513	758,783
NET ASSETS		841,503	1,040,592
EQUITY			
Issued capital	6	42,843,101	42,743,101
Reserves		871,452	871,452
Accumulated losses		(42,873,050)	(42,573,961)
TOTAL EQUITY		841,503	1,040,592

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Issued Capital	Share-based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
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>
BALANCE AT 1 JULY 2017	42,743,101	871,452	(42,573,961)	1,040,592
Loss for the half-year	-	-	(299,089)	(299,089)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(299,089)	(299,089)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	100,000	-	-	100,000
BALANCE AT 31 DECEMBER 2017	<u>42,843,101</u>	<u>871,452</u>	<u>(42,873,050)</u>	<u>841,503</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 2017

	Half-year	
	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(66,304)	(69,598)
Other income received	10,000	-
Interest received	8	2
Net cash (outflow) from operating activities	(56,296)	(69,596)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(54,938)	(60,000)
Net cash (outflow) from investing activities	(54,938)	(60,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	100,000	116,000
Proceeds from borrowings	-	10,644
Net cash inflow from financing activities	100,000	126,644
Net (decrease) in cash and cash equivalents	(11,234)	(2,952)
Cash and cash equivalents at the beginning of the half-year	22,224	14,491
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	10,990	11,539

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 2017 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 2017 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.

These half-year financial statements were authorised for issue by a resolution of directors on 15 March 2018.

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 2017. 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 \$299,089 (31 December 2016: \$239,821) and incurred net cash outflows from operating activities of \$56,296 (31 December 2016: \$69,596). The Group had a net working capital deficiency of \$1,022,558 at reporting date (30 June 2017: \$722,698).

Of the \$1,041,869 in trade and other payables outstanding at reporting date, \$880,633 are owed to related parties and internal creditors and \$161,236 are owed to external creditors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Agreements and shareholder approval were in place for a share placement to re-finance the Group. The placement funds have been held up at the source jurisdiction, and the required shareholder approvals have since lapsed. The Group is in continued discussions with the unrelated parties that were providing the funding, plus additional parties, with respect to the immediate capital requirements of the Group.

During January 2018 the Group received \$50,000 as part of a funding arrangement with Mr Tsang, a director of the Company, to provide a total of \$400,000 in funding from unrelated parties of the Company by 15 June 2018, with shares to be issued at \$0.005 each.

The ability of the Group to continue as a going concern is dependent on the continued support from related parties and creditors and successful 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.

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:

- 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 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 reportable segments identified are:

1. Gold (comprising the Meekatharra Project); and
2. Iron Ore (comprising the Mt Forrest 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 2017 is as follows:

Half-Year	Gold \$	Iron Ore \$	Total \$
31 December 2017			
Total segment revenue	-	-	-
Intersegment revenue	-	-	-
Revenue from external customers	-	-	-
Reportable segment loss	-	-	-
31 December 2016			
Total segment revenue	-	-	-
Intersegment revenue	-	-	-
Revenue from external customers	-	-	-
Reportable segment loss	-	-	-
Total segment assets			
31 December 2017	76,330	1,784,846	1,861,176
30 June 2017	60,670	1,699,735	1,760,405

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

	31 December 2017 \$	30 June 2017 \$
Segment assets	1,861,176	1,760,405
Intersegment eliminations		-
Unallocated		
Cash and cash equivalents	10,990	22,224
Trade and other receivables	10,756	11,002
Prepayments	8,209	2,859
Other non-current assets	2,885	2,885
Total assets	1,894,016	1,799,375

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION (continued)

	31 December 2017 \$	30 June 2017 \$
Segment liabilities	-	-
Intersegment eliminations	-	-
Unallocated		
Trade and other payables	1,041,869	748,139
Borrowings	10,644	10,644
Total liabilities	<u>1,052,513</u>	<u>758,783</u>

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

	Half-year	
	2017 \$	2016 \$
Total loss for reportable segments	-	-
Intersegment eliminations	-	-
Unallocated amounts		
Interest revenue	8	2
Other income	10,000	-
Depreciation and amortisation	(955)	(2,085)
Other expenses	(308,142)	(237,738)
Loss before income tax	<u>(299,089)</u>	<u>(239,821)</u>

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 December 2017 \$	30 June 2017 \$
Exploration and evaluation assets	1,848,751	1,747,025

	Half-year	
	2017 \$	2016 \$
Balance at 1 July	1,747,025	1,514,788
Expenditure incurred	101,726	133,829
Balance at 31 December	<u>1,848,751</u>	<u>1,648,617</u>

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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.

NOTE 4: TRADE AND OTHER PAYABLES

	31 December 2017	30 June 2017
	\$	\$
Trade payables	258,033	86,318
Other payables and accruals	783,836	661,821
	1,041,869	748,139

NOTE 5: BORROWINGS

	31 December 2017	30 June 2017
	\$	\$
Non-recourse loan	10,644	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	2017 Shares	2017 \$	2016 Shares	2016 \$
As at 1 July	647,424,008	42,743,101	544,793,570	42,260,749
Issued during the half-year				
Issued as consideration for commissions	-	-	6,160,000	30,800
Issued for cash at 0.5 cents per share	20,000,000	100,000	23,200,000	116,000
Transaction costs	-	-	-	(30,800)
As at 31 December	667,424,008	42,843,101	574,153,570	42,376,749

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 6: ISSUED CAPITAL (continued)

Options	Number of options	
	2017	2016
As at 1 July	-	12,500,000
Options expired on 31 July 2016, exercisable at 12 cents	-	(12,500,000)
As at 31 December	-	-

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.

NOTE 11: FAIR VALUE MEASUREMENT

There were no financial assets or liabilities at 31 December 2017 or 30 June 2017 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

During January 2018 the Group received \$50,000 as part of a funding arrangement with Mr Tsang, a director of the Company, to provide a total of \$400,000 in funding from unrelated parties of the Company by 15 June 2018, with shares to be issued at \$0.005 each.

No other matter or circumstance has arisen since 31 December 2017, 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 2017 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, 15 March 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mindax Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mindax Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) 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 and conditions 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.

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 Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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As the auditor of the Group, 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The signature consists of the letters 'BDO' in a stylized font, followed by a cursive signature that appears to be 'Glyn O'Brien'.

Glyn O'Brien

Director

Perth, 15 March 2018

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