

MINDAX LIMITED

ABN 28 106 866 442

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2004

MINDAX LIMITED
ABN 28 106 866 442

CORPORATE DIRECTORY

DIRECTORS

Gilbert Charles George (Chairman)
Gregory John Bromley
Nicholas James Smith

PRINCIPAL OFFICE

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AUDITORS

Horwath Perth
Chartered Accountants
128 Hay Street
Subiaco WA 6008

COMPANY SECRETARY

Angelo Francesca

BANKERS

Commonwealth Bank
1254 Hay Street
West Perth WA 6005

SHARE REGISTRY

Advanced Share Registry Services
Level 7
200 Adelaide Terrace
Perth WA 6000

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MINDAX LIMITED
ABN 28 106 866 442

DIRECTORS' REPORT

The directors present their report together with the financial report of Mindax Limited ("the Company") for the half-year ended 31 December 2004 and the auditor's review thereon.

1 DIRECTORS

The directors of the Company at any time during or since the end of the half-year are:

	Period of Directorship
GEORGE, Gilbert Charles (Chairman)	Appointed 5 January 2004 Appointed Chairman 9 February 2004
BROMLEY, Gregory John	Appointed 30 October 2003
SMITH, Nicholas James	Appointed 30 October 2003

2 OPERATING RESULTS

The net loss from ordinary activities after providing for income tax amounted to \$96,619.

3 REVIEW OF OPERATIONS

On 27 August 2004 the Company exercised the "Sipa Option to Purchase Murchison Properties" agreement. Consideration comprised an initial cash payment of \$250,000 and the subsequent issue of 1,500,000 ordinary fully paid shares at \$0.20 per share on 23 November 2004.

On 23 November 2004 the Company issued the following ordinary fully paid shares at \$0.20 per share:

200,000 shares being the balance of consideration for the purchase of E57/552;

200,000 shares being the balance of consideration for the purchase of E29/537.

On 23 November 2004 the Company issued 150,000 ordinary fully paid shares and subsequently paid \$25,000 cash as consideration for the right to earn a 70% interest in E57/551.

Throughout July 2004 to September 2004, the Company issued 4,487,394 ordinary fully paid shares at \$0.14 per share to raise \$628,235 pursuant to a rights issue and share placement program. Of this total, applications for shares totalling \$47,250 had already been received at 30 June 2004.

On 12 October 2004 the Company lodged a Prospectus to raise up to \$3,500,000 by way of issue of 17,500,000 ordinary fully paid shares at \$0.20 per share together with 8,750,000 attaching options. The offer closed oversubscribed following which the Company was admitted to the Official List of the ASX on 3 December 2004. Official quotation of the Company's securities commenced on 8 December 2004.

The Company commenced its exploration program during the December 2004 quarter on the Bulga Downs, Maynard Hills, Panhandle and Mt Alexander Project Areas with the commencement of drilling, geochemical and airborne geophysical surveys.

4 LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

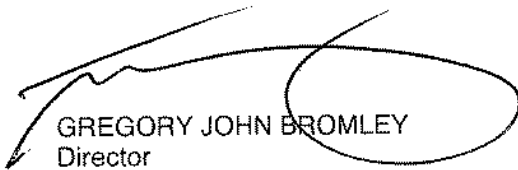
The lead auditor's independence declaration is set out on page 11 and forms part of the directors' report for the half-year ended 31 December 2004.

MINDAX LIMITED
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5 SUBSEQUENT EVENTS

No other matters other than as set out in Note 10 to the financial report have arisen since the end of the financial period to the date of this report, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

This report is made with a resolution of the directors:


GREGORY JOHN BROMLEY
Director

Dated at PERTH this 11TH day of March 2005

MINDAX LIMITED
ABN 28 106 866 442

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

	Note	The Company \$
Revenues from ordinary activities	2	11,504
Employee expenses		(19,150)
Depreciation and amortisation expense		(141)
Administration expenses		<u>(88,832)</u>
Loss from ordinary activities before related income tax	3	(96,619)
Income tax benefit relating to ordinary activities		<u>-</u>
Net loss attributable to Mindax Limited		<u>(96,619)</u>
Total changes in equity attributable to members of Mindax Limited other than those resulting from transactions with owners as owners	8	<u>(96,619)</u>
Basic loss per share:		
Ordinary shares	4	-

To be read in conjunction with the accompanying notes

MINDAX LIMITED
ABN 28 106 866 442

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	Note	The Company
CURRENT ASSETS		
Cash assets		3,300,864
Receivables		<u>22,676</u>
TOTAL CURRENT ASSETS		<u>3,323,540</u>
NON-CURRENT ASSETS		
Property, plant & equipment		3,817
Exploration & evaluation expenditure		1,523,914
Other		<u>5,879</u>
TOTAL NON-CURRENT ASSETS		<u>1,533,610</u>
TOTAL ASSETS		<u>4,857,150</u>
CURRENT LIABILITIES		
Payables		<u>75,558</u>
TOTAL CURRENT LIABILITIES		<u>75,558</u>
TOTAL LIABILITIES		<u>75,558</u>
NET ASSETS		<u>4,781,592</u>
EQUITY		
Contributed equity	6	4,890,681
Accumulated losses	7	<u>(109,089)</u>
TOTAL EQUITY	8	<u>4,781,592</u>

To be read in conjunction with the accompanying notes

MINDAX LIMITED
ABN 28 106 866 442

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

	The Company \$
Cash flows from operating activities	
Interest received	11,504
Cash payments in the course of operations	<u>(104,878)</u>
Net cash (used in) operating activities	<u>(93,374)</u>
Cash flows from investing activities	
Payments for:	
Property, plant & equipment	(3,958)
Purchase of tenements	(292,749)
Exploration expenditure	<u>(411,818)</u>
Net cash (used in) investing activities	<u>(708,525)</u>
Cash flows from financing activities	
Repayment of loans	2,500
Proceeds from issue of shares	4,080,985
Transaction costs from issue of shares	<u>(216,038)</u>
Net cash provided by financing activities	<u>3,867,447</u>
Net increase in cash held	3,065,548
Cash at the beginning of the financial period	<u>235,316</u>
Cash at the end of the financial period	<u><u>3,300,864</u></u>

To be read in conjunction with the accompanying notes

MINDAX LIMITED
ABN 28 106 866 442

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The half-year financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. This half-year financial report is to be read in conjunction with the Company's prospectus dated 12 October 2004 and any public announcement by Mindax Limited during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs, and, except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by the Company.

The half-year report does not include full note disclosures of the type normally included in an annual financial report.

(b) Comparatives

No comparative information has been provided as this is the first half year reporting period to which AASB1029 is applicable to the Company.

31 December 2004
\$

NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES

Other Revenues

From operating activities:

Interest – other parties 11,504

NOTE 3 – EXPENSES INCLUDED IN LOSS FROM ORDINARY ACTIVITIES

Expenses included in loss from ordinary activities before income tax:

Management & Secretarial fees	(16,351)
Consulting fees	(28,290)
Directors fees – included in employee expenses	(10,000)
Directors fees – other	(12,500)

NOTE 4 – EARNINGS PER SHARE

Earnings reconciliation

Net Loss	<u>(96,619)</u>
Basic Loss	<u>(96,619)</u>

Weighted average number of shares used as the denominator

Ordinary shares	28,232,856
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There are no dilutive potential ordinary shares, therefore diluted loss per share has not been calculated or disclosed.

MINDAX LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

NOTE 5 – SEGMENT REPORTING

Geographical Segments:

The entity operates in Australia with its mineral exploration operations located primarily in Western Australia.

	Exploration Australia
Segment Revenue	11,504
Segment Result	<u>(96,619)</u>
Segment Assets	<u>4,857,150</u>

NOTE 6 – CONTRIBUTED EQUITY

		31 December 2004	
		No. of shares	\$
Issued and paid-up capital			
46,137,395 Fully paid ordinary shares			<u>4,890,681</u>
Movements during the period:			
21 July 2004	1,507,321 ordinary fully paid shares at \$0.14 per share for working capital	1,507,321	211,025
4 August 2004	1,528,573 ordinary fully paid shares at \$0.14 per share for working capital	1,528,573	214,000
25 August 2004	846,500 ordinary fully paid shares at \$0.14 per share for working capital	846,500	118,510
13 September 2004	605,000 ordinary fully paid shares at \$0.14 per share for working capital	605,000	84,700
23 November 2004	1,500,000 ordinary fully paid shares at \$0.20 per share for the purchase of Murchison properties under the Sipa Agreement	1,500,000	300,000
	400,000 ordinary fully paid shares at \$0.20 per share for the acquisition of tenements E57/552 and E29/537	400,000	80,000
	150,000 ordinary fully paid shares at \$0.20 per share for the right to earn a 70% interest in E57/551	150,000	30,000
3 December 2004	17,500,000 ordinary fully paid shares at \$0.20 per share pursuant to the Company's Prospectus dated 12 October 2004	17,500,000	3,500,000
	Capital Raising Costs		<u>(256,911)</u>
			<u>4,281,324</u>

Pursuant to the Company's Prospectus dated 12 October 2004, the Company granted options over 8,750,000 unissued ordinary shares. The options are exercisable at \$0.20 per share on or before 3 June 2006.

MINDAX LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

31 December 2004
\$

NOTE 7 – ACCUMULATED LOSSES

Accumulated losses at the beginning of the half-year	12,470
Net loss attributable to members of the entity	<u>96,619</u>
Accumulated losses at the end of the period	<u>109,089</u>

NOTE 8 – TOTAL EQUITY RECONCILIATION

Total equity at beginning of the half-year	596,887
Total changes in equity recognised in statement of financial performance	(96,619)
Transaction with owners as owners:	
Contributions of equity (Note 6)	<u>4,281,324</u>
Total equity at end of period	<u>4,781,592</u>

NOTE 9 - NON-CASH FINANCING AND INVESTING ACTIVITIES

On 23 November 2004 1,500,000 ordinary fully paid shares were issued at \$0.20 per share for the acquisition of tenements under the "Sipa Option to Purchase Murchison Properties Agreement."

On 23 November 2004 400,000 ordinary fully paid shares were issued at \$0.20 per share for the acquisition of E57/552 and E29/537.

On 23 November 2004 150,000 ordinary fully paid shares were issued at \$0.20 per share as consideration for the right to earn a 70% interest in E57/551.

As at 30 June 2004, \$47,250 in applications for shares had been received. The shares were allotted on 21 July 2004.

These transactions are not reflected in the Statement of Cash Flows.

NOTE 10– EVENTS SUBSEQUENT TO REPORTING DATE

International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the entity must comply with Australian equivalents to International Financial Reporting Standard (AIFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP) applicable for reporting periods ending on 31 December 2004.

The differences between Australian GAAP and IFRS identified to date as potentially having a significant effect on the entity's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The Company has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with IFRS.

Any assessments made in respect of the transition to AIFRS may require adjustment before inclusion in the first complete annual/ half year financial report prepared in accordance with AIFRS due to new or revised standards or interpretations, changes in the operations of the business, or additional guidance on the application of AIFRS in a particular industry or to a particular transaction.

MINDAX LIMITED
ABN 28 106 866 442

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

NOTE 10 – EVENTS SUBSEQUENT TO REPORTING DATE, CONTINUED

The potential impacts on the entity's financial performance and financial position of the adoption of IFRS, including system upgrades and other implementation costs which may be incurred, have not been quantified as at the transition date of 1 July 2004 due to the short timeframe between finalisation of the IFRS standards and the date of preparing this report. The impact on future years will depend on the particular circumstances prevailing in those years.

The key potential implications of the conversion to IFRS on the Company are as follows:

- Income tax will be calculated based on the "balance sheet" approach, which will result in more deferred tax assets and liabilities and, as tax effects follow the underlying transaction, some tax effects will be recognised in equity
- Revaluation increments and decrements relating to revalued property, plant and equipment and intangible assets will be recognised on an individual basis, not a class of assets basis
- Impairment of assets will be determined on a discounted basis, with strict tests for determining whether goodwill and cash-generating operations have been impaired
- Equity-based compensation in the form of shares and options will be recognized as expenses in the periods during which the employee provides related services
- Changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

The Company has engaged the services of consultants to review the International Financial Reporting Standards legislation and assess its impact on the Company to formulate an implementation plan to account for relevant disclosure amendment within the financial report.

MINDAX LIMITED
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DIRECTORS' DECLARATION

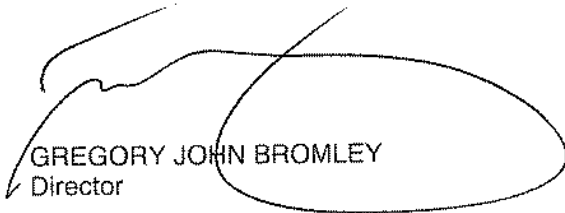
1. In the opinion of the directors of Mindax Limited ("the Company")

- a) the financial statements and notes, set out on pages 3 to 9, are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the financial position of the Company as at 31 December 2004 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and
 - ii) complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at PERTH this 11th day of March 2005

Signed in accordance with a resolution of the directors:


GREGORY JOHN BROMLEY
Director



11 March 2005

Horwath Perth
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Chartered Accountants
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The Board of Directors
Mindax Limited
Suite 9/57 Labouchere Road
SOUTH PERTH WA 6151

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our Half-Year Review of the financial report of Mindax Limited for the period ended 31 December 2004 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this review;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to this review.

Yours faithfully
HORWATH PERTH
Chartered Accountants

HORWATH PERTH
Glyn O'Brien

GLYN O'BRIEN
Partner

Partners: Glyn O'Brien CA Anthony Bevan CA

Horwath Perth conducts its practice independently of Horwath (WA) Pty Ltd and of all other firms of chartered accountants who are members of Horwath International in Australia

**Horwath Perth**

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**Independent review report to the members of
Mindax Limited****Scope***The financial report and directors' responsibility*

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Mindax Limited, for the half-year ended 31 December 2004.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and the Corporations Act 2001, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.



Statement

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:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

Dated the 11th day of March 2005.

HORWATH PERTH
Chartered Accountants

HORWATH PERTH

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', with a long horizontal stroke extending to the right.

GLYN O'BRIEN
Partner