

MINDAX LIMITED

ABN 28 106 866 442



HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2006

MINDAX LIMITED
ABN 28 106 866 442

CORPORATE DIRECTORY

DIRECTORS

Gilbert Charles George (Non-executive, Chairman)
Gregory John Bromley (Managing Director)
Nicholas James Smith (Non-executive Director)

PRINCIPAL OFFICE

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South Perth WA 6151

PO Box 8242
Angelo Street
South Perth WA 6951

Telephone (08) 9474 3266
Facsimile (08) 9474 3299

Website www.mindax.com.au

REGISTERED OFFICE

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BURSWOOD WA 6100

Telephone: (08) 9486 2333
Facsimile: (08) 9355 4580

AUDITORS

Horwath Audit (WA) Pty Ltd
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
110 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING

Shares and options over unissued shares in
Mindax Limited are quoted on the Australian
Stock Exchange Limited:

ASX codes: MDX (shares)
MDXOA (options)

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MINDAX LIMITED
ABN 28 106 866 442

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 2006.

1 DIRECTORS

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

GEORGE, Gilbert Charles (Chairman)
BROMLEY, Gregory John
SMITH, Nicholas James

2 OPERATING RESULTS

The consolidated net loss from ordinary activities after providing for income tax amounted to \$846,775 (2005: loss of \$261,728).

3 REVIEW OF OPERATIONS

EXPLORATION

The Company continued its exploration efforts on its tenement prospects. Some highlights include:

SANDSTONE – BULGA DOWNS PROJECT (Gold)

Agreement has been reached with the Wutha people on heritage and native title matters on the Bulga Downs – Paradise Bore Gold Project. The parties have executed deferred mining and heritage agreements and a State Deed signed by the parties has been put to government for execution and facilitation of the grant of mining lease applications over the area.

This agreement will allow the recommencement of work on this area for the first time since August 2005. A drilling program is in place to test mineralization at Toucan and Macaw and preparations will begin for resource drilling on the Paradise Bore gold prospects.

SANDSTONE LAKE NOONDIE PROJECT (Uranium)

A total of 55 water samples have now been collected from the Lake Noondie Project area from recent drilling and from bores. The new water results highlight a tributary palaeochannel in the eastern part of the project area that has values in excess of 100ppb U in water (max 170ppb), well above the threshold values of 100ppb indicated by a Yeelirrie model. The results define a new target (Bill Well) south of the main palaeochannel of some 13km length for follow-up reconnaissance drilling.

Water sampling results from the drilling in the main Lake Noondie channel reach 70ppb U in water and their distribution appears to correlate well with the earlier surface sampling. Further exploration will look for a source further upstream to the west.

PANHANDLE (Gold, Copper, Uranium)

Detailed gravity surveying has resolved two major shears and linking cross structures, which appear to control the gold –copper geochemistry of the project area.

MINDAX LIMITED
ABN 28 106 866 442

DIRECTORS' REPORT, CONTINUED

The gravity surveying was completed over an area where magnetic data indicates a shallow intrusive event and provides a number of promising drill targets for gold and base metal mineralization.

The local structural array has not been obvious on previous geological or geophysical data, but earlier reconnaissance drilling shows it to be weakly mineralised. The most significant intercept has been 2m @ 2.67 g/t Au.

The survey area includes a discrete gravity feature which will be tested as a massive copper-zinc sulphide target.

Surface geochemical sampling of strong radiometric responses in airborne data within the Panhandle Project area has returned assays of greater than 55ppm U (max 60ppm U) over a 2km section along the shore of Lake Barlee. Follow-up sampling is planned to identify a source of this response.

YILGARN AVON JOINT VENTURE (Uranium)

The Avon project has already generated very significant uranium anomalism in ground waters to >1000 ppb U, comparable to equivalent data at Yeelirrie of 1200 ppb U within the orebody outline. This south-western part of WA is considered to constitute a new uranium province, both for Yeelirrie type deposits and for hard rock uranium resources.

Two tenements were granted in the Yilgarn-Avon Project area at Elachbutting Hill and Westonia. A further eleven tenement applications are expected to be granted through until April 2007. Tenements and applications cover approximately 2300km².

Elachbutting Hill contains water values greater than 190ppb U within 14km of drainage. The area includes a strong U channel radiometric anomaly (~2km in length) adjacent to a water sample returning 211ppb U. A staged program of further water sampling, surface sampling, detailed airborne radiometrics and aircore drilling traverses has been initiated.

CORPORATE

On 29 September 2006, 140,000 unlisted employee options with an exercise price of 25 cents and an expiry date of 21 December 2008 issued under the company's Employee and Consultant Option Scheme ("EOS"), were cancelled pursuant to clause 5.5 of the EOS.

4 AUDITOR'S DECLARATION

A copy of the independence declaration by the lead auditor under section 307C is included on page 3 to this half-year financial report.

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:



GREGORY JOHN BROMLEY
Director

Dated at PERTH this 8th day of March 2007



Horwath Audit (WA) Pty Ltd

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Chartered Accountants
128 Hay Street Subiaco 6008
PO Box 700 West Perth 6872
Western Australia
Tel 08 9380 8400
Fax 08 9380 8499
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8 March 2007

The Board of Directors
Mindax Limited
Unit 9/57 Labouchere Road
SOUTH PERTH WA 6151

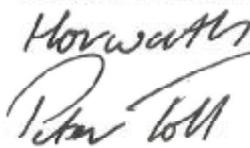
AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with my half-year review of the financial report of Mindax Limited and its controlled entity for the half-year ended 31 December 2006 and in accordance with the provisions of the Corporations Act 2001.

As lead auditor 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 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 AUDIT (WA) PTY LTD


PETER TOLL
Director

MINDAX LIMITED
ABN 28 106 866 442

CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

| | Note | Consolidated Entity 31.12.2006 \$ | The Company 31.12.2005 \$ |
|--|------|--|---------------------------------|
| Revenue | 2 | 72,053 | 61,283 |
| Depreciation and amortisation expense | 2 | (22,320) | (22,727) |
| Employee benefits expense | 2 | (33,222) | (63,831) |
| Write-off of exploration expenditure | 2 | (635,064) | - |
| Finance costs | | (5,646) | (4,720) |
| Share-based payment – Employee Options | | - | (36,120) |
| Other expenses | | (222,576) | (195,613) |
| Loss before income tax | 2 | (846,775) | (261,728) |
| Income tax benefit | | - | - |
| Net loss attributable to members of the Company | | (846,775) | (261,728) |
| Loss per share: | | | |
| Basic and diluted (cents per share) | | (0.016) | (.006) |

The above Income Statement should be read in conjunction with the accompanying notes.

Note: The subsidiary company, Mindax Energy Pty Ltd was formed post 31.12.2005. Therefore comparatives relate to the parent company, Mindax Limited, only.

MINDAX LIMITED
ABN 28 106 866 442

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

| | Consolidated Entity 31.12.2006 \$ | Consolidated Entity 30.06.2006 \$ |
|--------------------------------------|--|--|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 1,261,605 | 1,971,685 |
| Trade and other receivables | 34,328 | 57,313 |
| Other | 25,667 | 21,715 |
| TOTAL CURRENT ASSETS | <u>1,321,600</u> | <u>2,050,713</u> |
| NON-CURRENT ASSETS | | |
| Property, plant & equipment | 174,989 | 184,633 |
| Exploration & evaluation expenditure | 3,079,241 | 3,215,618 |
| Other | 4,765 | 4,905 |
| TOTAL NON-CURRENT ASSETS | <u>3,258,995</u> | <u>3,405,156</u> |
| TOTAL ASSETS | <u>4,580,595</u> | <u>5,455,869</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Trade and other payables | 190,754 | 178,581 |
| Interest-bearing liabilities | 37,806 | 44,640 |
| Provisions | 12,113 | 23,563 |
| TOTAL CURRENT LIABILITIES | <u>240,673</u> | <u>246,784</u> |
| NON CURRENT LIABILITIES | | |
| Interest-bearing liabilities | 85,107 | 102,949 |
| TOTAL NON CURRENT LIABILITIES | <u>85,107</u> | <u>102,949</u> |
| TOTAL LIABILITIES | <u>325,780</u> | <u>349,733</u> |
| NET ASSETS | <u>4,254,815</u> | <u>5,106,136</u> |
| EQUITY | | |
| Contributed equity | 5,775,172 | 5,773,698 |
| Reserves | 30,100 | 36,120 |
| Accumulated losses | (1,550,457) | (703,682) |
| TOTAL EQUITY | <u>4,254,815</u> | <u>5,106,136</u> |

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

MINDAX LIMITED
ABN 28 106 866 442

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

| | <u>Issued Share Capital Ordinary</u> \$ | Accumulated Losses \$ | Option Reserve \$ | Total Equity \$ |
|--|---|-------------------------------------|---------------------------------|---------------------------|
| The Company | | | | |
| At 1.7.2005 | 4,876,230 | (264,222) | - | 4,612,008 |
| Issue of share capital | - | - | - | - |
| Total income and expenses for the half-year | - | (261,728) | - | (261,728) |
| Options reserve increment | - | - | 36,120 | 36,120 |
| Sub-total | 4,876,230 | (525,950) | 36,120 | 4,386,400 |
| Dividends paid or provided for | - | - | - | - |
| At 31.12.2005 | 4,876,230 | (525,950) | 36,120 | 4,386,400 |
| Consolidated Entity | | | | |
| At 1.1.2006 | 4,876,230 | (525,950) | 36,120 | 4,386,400 |
| Issue of share capital | 719,254 | - | - | 719,254 |
| Options converted | 178,214 | - | - | 178,214 |
| Total income and expense for the half-year | - | (177,732) | - | (177,732) |
| Sub-total | 5,773,698 | (703,682) | 36,120 | 5,106,136 |
| Dividends paid or provided for | - | - | - | - |
| At 30.6.2006 | 5,773,698 | (703,682) | 36,120 | 5,106,136 |
| Capital Raising Costs – Debt Forgiven | 1,474 | - | - | 1,474 |
| Total income and expenses for the half-year | - | (846,775) | - | (846,775) |
| Employee Options cancelled | - | - | (6,020) | (6,020) |
| Sub-total | 5,775,172 | (1,550,457) | 30,100 | 4,254,815 |
| Dividends paid or provided for | - | - | - | - |
| At 31.12.2006 | 5,775,172 | (1,550,457) | 30,100 | 4,254,815 |

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

MINDAX LIMITED
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CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

| | Note | Consolidated Entity 31.12.2006 \$ | The Company 31.12.2005 \$ |
|--|------|--|---------------------------------|
| Cash flows from operating activities | | | |
| Interest received | | 49,558 | 61,283 |
| Interest and other costs of finance paid | | (5,646) | (4,720) |
| Payments to suppliers and employees | | (259,792) | (230,688) |
| Net cash (outflow) from operating activities | | (215,880) | (174,125) |
| Cash flows from investing activities | | | |
| Payments for: | | | |
| Property, plant & equipment | | (12,676) | (140,222) |
| Exploration expenditure | | (449,347) | (481,449) |
| Net cash (outflow) investing activities | | (462,023) | (621,671) |
| Cash flows from financing activities | | | |
| Transaction costs from issue of shares | | (7,500) | - |
| Proceeds from borrowings | | - | 125,171 |
| Repayment of borrowings | | (24,677) | (17,901) |
| Net cash (outflow)/inflow by financing activities | | (32,177) | 107,270 |
| Net (decrease) in cash held | | (710,080) | (688,526) |
| Net cash at beginning of the period | | 1,971,685 | 2,628,170 |
| Net cash at the end of the period | | 1,261,605 | 1,939,644 |

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

Note: The subsidiary company, Mindax Energy Pty Ltd was formed post 31.12.2005. Therefore comparatives relate to the parent company, Mindax Limited, only.

MINDAX LIMITED
ABN 28 106 866 442

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER
2006

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

This general purpose financial report for the interim half-year reporting period ended 31 December 2006 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting: and the Corporations Act 2001.

The historical cost basis has been used, except for investment properties, land and buildings, derivatives and available-for-sale financial assets which have been measured at fair value.

This interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2006 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 same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report.

The entity was not a consolidated entity at 31 December 2005, and accordingly only parent entity figures covering the period to 31 December 2005 in the Income Statement, Statement of Changes in Equity and the Cash Flow Statement are shown.

NOTE 2 – LOSS FOR THE HALF YEAR

Specific Items

Loss before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the consolidated entity:

| | Consolidated Entity 31.12.2006 \$ | The Company 31.12.2005 \$ |
|--|--|------------------------------------|
| (i) Revenue | | |
| Interest – other parties | 46,289 | 61,283 |
| Recoverable expenses | 19,744 | - |
| Employee options cancelled | 6,020 | - |
| | <u>72,053</u> | <u>61,283</u> |
| (ii) Expenses | | |
| Management & secretarial fees | (69,470) | (24,884) |
| Exploration expenditure write-off | (635,064) | - |
| Audit fees | (9,536) | (9,020) |
| Depreciation and amortisation expense | (22,320) | (22,727) |
| Directors fees | (27,500) | (22,500) |
| Payroll expenses | (33,222) | (63,831) |
| Share based payments – employee options | - | (36,120) |
| Project review/ business development costs | (10,188) | (58,769) |
| Rent of premises | (16,441) | (14,780) |

MINDAX LIMITED
ABN 28 106 866 442

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 3 – SEGMENT INFORMATION

Geographical Segments:

The following table represents the revenue and profit information regarding business segments for the half-year periods ended 31 December 2006 and 31 December 2005.

| | Consolidated Entity 31.12.2006 \$ | The Company 31.12.2005 \$ |
|-----------------|--|------------------------------------|
| | Exploration Australia | |
| Segment revenue | 72,053 | 61,283 |
| Segment result | <u>(846,775)</u> | <u>(261,728)</u> |

NOTE 4 – CONTINGENT ASSETS AND LIABILITIES

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date, 30 June 2006.

NOTE 5– DIVIDENDS

No dividends have been paid or declared since the start of the financial period, and none are recommended.

NOTE 6– RESERVES

| | Consolidated Entity 31.12.2006 \$ | The Company 31.12.2005 \$ |
|---|--|------------------------------------|
| Option Reserve | | |
| Employee equity-settled benefits | <u>30,100</u> | <u>36,120</u> |
| Employee equity-settled benefits reserve | | |
| Balance at beginning of half-year | 36,120 | - |
| Share-based payment | - | 36,120 |
| Employee share options cancelled (140,000 unlisted options) | <u>(6,020)</u> | <u>-</u> |
| Balance at end of half-year | <u>30,100</u> | <u>36,120</u> |

NOTE 7– EVENTS SUBSEQUENT TO BALANCE DATE

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

MINDAX LIMITED
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DECLARATION BY DIRECTORS

The directors of Mindax Limited declare that:

1. The financial statements, comprising the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) Give a true and fair view of the consolidated entity's financial position, as represented by the results of its operations, changes in equity and its cash flows, as at 31 December 2006 and of its performance for the half-year ended on that date.
2. In the directors' opinion, 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 Board of Directors and is signed for and on behalf of the directors by:



GREGORY JOHN BROMLEY
Director

Dated at PERTH this 8th day of March 2007

**Independent auditors' review report
to members of Mindax Limited**

We have reviewed the accompanying half year financial report of Mindax Limited, which comprises the consolidated balance sheet at 31 December 2006, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Consolidated Half Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the consolidated half year financial report in accordance with Accounting Standards in Australia and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated half year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Auditor of an Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the consolidated financial report is not fairly presented, in all material respects, in accordance with AASB 134 *Interim Financial Reporting*. 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 Australian professional accounting bodies.



Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the consolidated half year financial report of Mindax Limited does not fairly present, in all material respects the financial position of the group at 31 December 2006, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with AASB 134 *Interim Financial Reporting*.

Dated the 8th day of March 2007.

HORWATH AUDIT (WA) PTY LTD

A handwritten signature in black ink that reads "Peter Toll". The signature is written in a cursive style and is positioned above the printed name.

PETER TOLL
Director