

MDX.AU

Mindax Limited

A\$ 0.39

17 June 2010
Iron Ore, Uranium, Copper Gold
Australia (WA)
Advanced Exploration
Exchanges: ASXMDX

Well funded after a strategic A\$7.8m share placement to Lion Group, MDX expects good results from its WA exploration program in 2-3Q10. Value drivers could include an expanded hematite resource at Mt Forrest and follow-up drilling to 0.2% U₃O₈ hits at Jindarra.

Capital Profile

Share price (A\$)	0.39
52 week range (A\$/share)	0.33 to 0.55
Number of shares (m)	146
Options and warrants (m)	70
Convertible notes (m)	0
Fully diluted (m)	216
Market capitalisation (undiluted) (A\$m)	56.1
Debt (A\$m) - Jun 10F	0.0
Enterprise value (A\$m)	56.1
Major shareholders: A Tsang (22.1%), Lion Asiapac (10.3%), Jupiter Mines Ltd (9.1%), NY TSE (5.0%)	
Avg monthly volume (m)	1
Cash (A\$m) - Jun 10F	12.2
Price/Cash (x)	4.6
Price/Book (x)	2.7
Listed company options:	MDXO

Production and Financial Forecasts

YEAR END: June	Mar-10a	Jun-10F	2009a	2010F	2011F
Exploration and evaluation (A\$m)	0.99	0.65	3.05	3.38	3.00
Corporate (A\$m)	0.34	0.45	1.06	1.46	1.40
Exploration/(Expl.+ Corporate) (%)	74	59	74	70	68
Funding duration at current burn (years)			1.9	2.5	1.9
Shares on issue (pr end) (m shares)	130.7	145.7	129.1	145.7	145.8
Drilling - RAB (m)	4,594	2,406	14,978	10,000	12,000
Drilling - Other/Diamond (m)	10,639	7,265	3,211	20,000	24,000
Land holding ('000 ha)*	474	474	503	474	474
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	0.79	7.80	1.85	8.59	0.03
Funding from JV partners (A\$m)	0.1	0.2	0.6	na	na
Cash (A\$m)	5.6	12.2	7.8	12.2	8.4
Cash backing (Ac/share)	4.3	8.4	6.1	8.4	5.8
Net asset backing (Ac/share)	10.3	14.3	10.3	14.3	13.7

* Quarters are stated on calendar year basis.

Investment Points

Focused on exploring for iron, gold, uranium and base metals in areas of known mineralisation, in WA.

Active explorer, with strong newsflow expected from drilling (under way or planned) at 5 or more projects.

Mt Forrest Project: includes granted mining leases hosting a 1.2mt DSO hematite resource, with drilling resuming July '10 to test a conceptual 70mt-105mt target.

Mt Forrest also has magnetite iron ore (387mt, target 2.5-2.8 billion tonnes) and gold (36koz Au resource), and regional Fe and Au targets (Bulga and Sandstone Wide).

Earning control of uranium JV with Quasar; targeting palaeochannel roll fronts. Anomalous U₃O₈ to 0.2% along 2km section, results pending from 5,000m program.

Well funded after strategic A\$7.8m placement to Asian-based Lion Group (vertically integrated, diversified materials and industrials, turnover ~A\$6.5bn).

Company Comment

Overview: Mindax Ltd listed on the ASX in 2004. It is focused on mineral exploration and development in Western Australia, where it holds 4,739km² of tenements, prospective for iron ore, gold-copper and uranium.

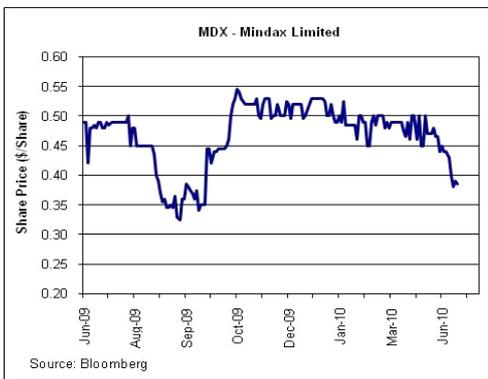
Mt Forrest Project (Fe, Au; WA, 100%): 50km² of granted mining leases, located 150km NW of Menzies, which is on the railway line to deepwater port at Esperance. Iron mineralisation is hematite-goethite-magnetite BIF in greenstone, with 17km strike. In 1Q10, resource modelling gave an initial inferred DSO resource at Toucan of 1.2mt @ 54.8% Fe, based on 16 holes and 900m strike. Drilling of 9,000m is in progress (resuming July '10), to test DSO targets and potentially define additional Fe resources; mapping has suggested a **conceptual exploration target of 70mt-105mt DSO (hematite-goethite) mineralisation** grading 54-58% Fe, to 50-75m depth below surface. The project also has a magnetite resource of 387mt @ 31.4% Fe, with a conceptual exploration target of 2.5-2.8 billion tonnes grading 31-40% Fe, from surface to 250-350m depth. There is a gold resource on the mining leases, at Paradise Bore, of 36koz Au grading 2.8g/t; gold-prospective strike is 10km. The **Bulga Downs Wide Project** covers other Fe (and Au) targets that could be of strategic relevance to a mining operation at Mt Forrest, ie within ~50km. These include Panther and Tiger prospects (anomalous Fe and Au at surface) and the **Panhandle Project** (on a structural jog in the Edale Fault, historic drilling to 2.67g/t Au, and FeO at surface). Near-term drilling is planned for the Terrier prospect at Panhandle.

Yilgarn-Avon Joint Venture (YAJV; uranium; 50%; operator): MDX and Quasar Resources (Beverley Uranium Mine and Four Mile Project) are targeting roll front uranium mineralisation in palaeochannels. Initial drilling at the **Jindarra** prospect within the **Mukinbudin Project** (200km NE of Perth) found **high-grade mineralisation to 0.2% U₃O₈** (1690ppm U) over 2km of channel. Follow-up drilling of 5,000m in 1-2Q10 was to define the channel section over 6km - results of this program are pending. Scout drilling at the **Quairading Project** (3,000m) is planned for 2Q10. The JV also holds 200km² of greenstones at the **Mortlock Project (Cu, Au, U)**, 100km NE of Perth. Historic drilling included 37m @ 0.72g/t Au with 0.26% Cu, within a 6km long copper and EM anomaly (potential +20km). Drilling is expected 2Q10. MDX is earning a controlling equity interest in the JV in FY10, with Quasar remaining a strategic partner.

Meekatharra North Project (Au, 100%): 20km from the Paddy's Flat alluvial field, which produced 2.5moz Au. On nearby tenements, blind drilling of structures through sedimentary cover has identified high grade targets. Exploration has been limited to date but drilling is scheduled for mid 2010.

Corporate: In May 2010, MDX raised A\$7.8m in a private share placement at A\$0.52/share, to Singapore-based Lion Asiapac Limited ("LAP"), a subsidiary of Lion Group (diversified materials and industrials, annual turnover ~A\$6.5bn). After the placement, MDX expected to have A\$12.35m working capital.

Investment Comment: Mindax is an active explorer that has moved from a <A\$10m mkt cap to ~A\$60m (undiluted) in about 3 years. With recent or planned drilling at multiple projects, and >A\$12m in the treasury, it can be expected to produce strong newsflow into 2011. Price catalysts could include an expanded DSO resource at Mt Forrest (current 1.2mt, target 70mt-105mt) and, in the near-term, results of follow-up drilling to the high-grade uranium hits at Jindarra.



Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Iron (Fe)	Classification	Project	Ore	Fe	Cut off	Fe	Fe Eqty
		Equity	Mt	%	%	mt	Mt
Reserves						0.0	0.0
Resources - Mt Forrest¹							
Toucan (hematite) ²	Inferred	100%	1.16	54.8	50	0.6	0.6
Magnetite ³	Inferred	100%	387	31.4	na	121.5	121.5
Mineralised Material (est., non compliant with JORC)						0.0	0.0

1) Mt Forrest Project includes the Paradise Bore gold resource, of 0.4mt @ 2.8g/t Au for 36koz, cut-off 1g/t.

2) At Toucan, other elements and components include: SiO₂, 9.28%; Al₂O₃, 4.40%; P, 0.082%; S, 0.089%; LOI, 6.08%

3) Magnetite resource also includes: SiO₂, 43.3%; Al₂O₃, 3.79%; P, 0.048%; S, 0.049%; LOI, 5.35%

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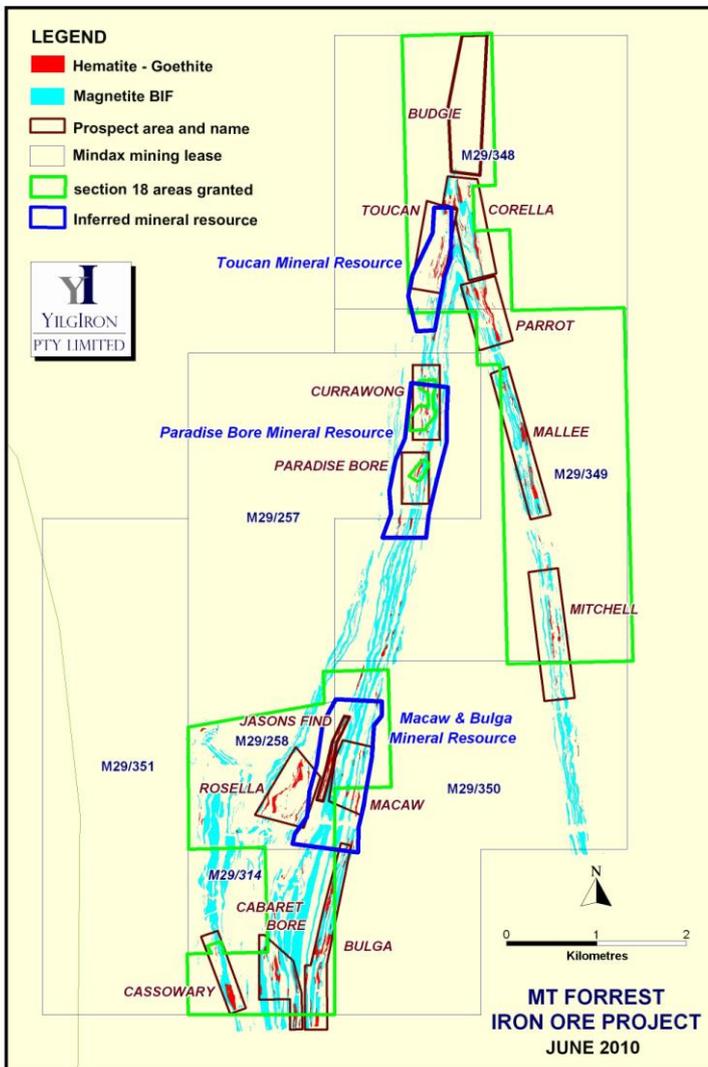
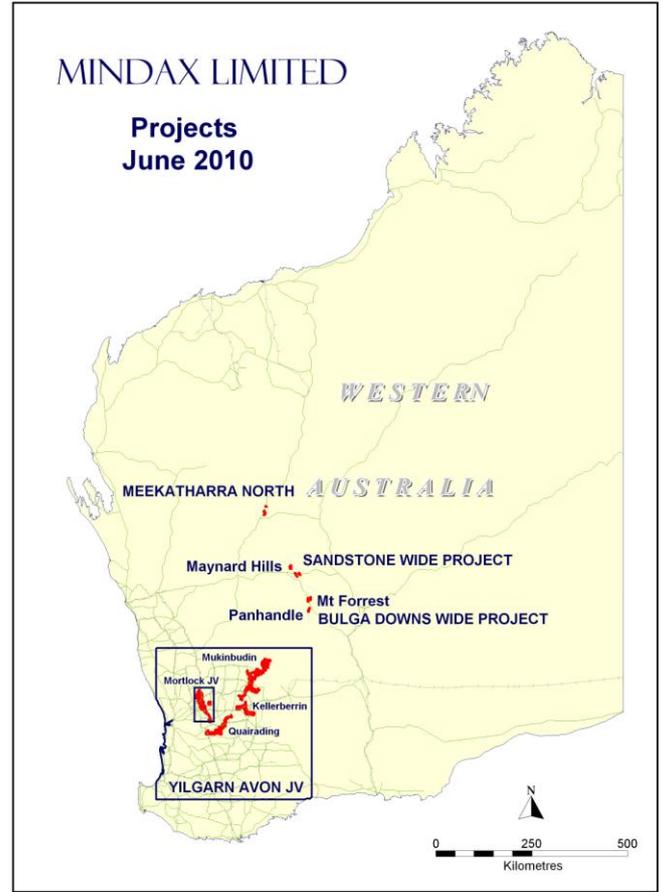
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Key Projects

Project	Ownership/		JV	Target	Process	Project	Location
	Option	Metal					
Mt Forrest	100%	Fe, Au	na	DSO, Mt	na	Adv Expl	Aus (WA)
incl Bulga Downs	100%	Au, Fe	na	Structural	na	Early Expl	Aus (WA)
Yilgarn-Avon JV	50%	U	Quasar	Sediment.	na	Early Expl	Aus (WA)
incl Mortlock JV	50%/(80%)	Au, Cu	Quasar	Greenstone	na	Early Expl	Aus (WA)
Sandstone Wide	100%	Au, Fe	na	Various	na	Early Expl	Aus (WA)
Meekatharra North	100%	Au	na	Greenstone	na	Early Expl	Aus (WA)

Mindax Limited, project location map: the company's exploration portfolio is in WA, where it is focused on iron, uranium, gold and copper. The main Fe project is at Mt Forrest, which is also prospective for gold.



Geological map of Mt Forrest: MDX has defined JORC resources of both DSO (hematite-goethite) and magnetite BIF. The conceptual DSO target is 70mt-105mt, substantially more than the current 1.2mt. Drilling will recommence in July 2010.

Disclosure and Disclaimer

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