



ABN 28 106 866 442

HALF-YEAR FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

CORPORATE DIRECTORY

Australian Company Number

106 866 442

Directors

Gilbert George (Non-executive Chairman)
Stephen Ward (Managing Director and Chief Executive Officer)
Andrew Tsang (Non-executive Director)
Benjamin Chow (Non-executive Director)
Kgai Mun Loh (Non-executive Director)
Yonggang Li (Non-executive Director)

Company Secretary and Chief Financial Officer

Christopher Pougault

Domicile and Country of Incorporation

Australia

Principal and Registered Office

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West Perth WA 6005

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Website

www.mindax.com.au

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Share Registry

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009
Website: www.advancedshare.com.au

Bankers

Commonwealth Bank
1254 Hay Street
West Perth WA 6005

Westpac Banking Corporation
465 Scarborough Beach Road
Osborne Park WA 6017

Stock Exchange Listing

Shares in Mindax Limited are quoted on the Australian Securities Exchange. ASX code: MDX (fully paid ordinary shares)

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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 2013.

DIRECTORS

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

Gilbert George	(Non-executive Chairman)
Stephen Ward	(Managing Director and Chief Executive Officer)
Andrew Tsang	(Non-executive Director)
Benjamin Chow	(Non-executive Director)
Kgai Mun (Eric) Loh	(Non-executive Director)
Yonggang Li	(Non-executive Director)

OPERATIONS AND FINANCIAL REVIEW

REVIEW OF OPERATIONS – CORPORATE

Meeting of Shareholders

2013 ANNUAL GENERAL MEETING

The Company convened its 2013 Annual General Meeting of shareholders (**AGM**) on 14 November 2013 to consider the Company's financial accounts, the directors' remuneration report, the re-election of directors, the allotment and issue of shares & options, the adoption of updated employee option & share plans and the conversion of a convertible note. All resolutions put to the meeting were passed unanimously on the requisite show of hands.

Fund Raising and Movements in Capital Structure

CONVERTIBLE NOTES

On 22 August 2013, the Company issued a convertible note for \$600,000 to Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang. The key terms of the convertible note were set out in an announcement to the market on 22 August 2013; and it was a condition precedent to the note's conversion into shares that shareholder approval to its conversion be obtained. Such approval was obtained at the abovementioned AGM. Subsequently, on 15 November 2013, the note was converted into 5,000,000 fully paid ordinary shares, at a price of \$0.12 (twelve cents) per share. Funds raised from the issue of the convertible note were applied to the Company's project activities and to provide working capital.

As a result of the conversion of the note, Mr Tsang's grouped shareholding in the Company (grouped to include all his declared associated interests, including that of Lai You) increased to 53,139,543 shares (being 20.65% of the issued capital of the Company).

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On 31 December 2013, the Company issued an additional convertible note for \$300,000 to the abovementioned Ms Lai You. The key terms of the convertible note were set out in an announcement to the market on 31 December 2013; and it is also a condition precedent to the note's conversion into shares that shareholder approval to its conversion be obtained at or before the Company's 2014 AGM. Funds raised from this note will be applied to the Company's project activities and to provide working capital.

EXPIRY OF UNLISTED OPTIONS

On 1 October 2013 the Company announced that 1,100,000 unlisted employee options, with an exercise price of \$0.45 per option, expired on 30 September 2013, without exercise.

VESTING OF UNLISTED OPTIONS

On 11 November 2013, 4M options issued by the Company on 9 November 2012 vested in the Company's Managing Director & Chief Executive Officer, Dr Stephen Ward, following the expiry of a 12 month restriction pursuant to the terms approved by shareholders on 1 November 2012.

In addition, on 11 December 2013, 2.5M options vested in the Company's non-executive directors following the expiry of a 12 month restriction pursuant to the terms approved by shareholders on 30 November 2012.

Board Movements

On 1 July 2013 the appointment of Mr Chenfei Zhuang as an Alternate Director for Mr Yonggang Li was terminated by Mr Li, effective 29 June 2013. Mr Li felt he could now personally dedicate the time required in full for his directorial responsibilities to the Company.

Strategic Partnership - Mt Forrest Iron Project

Following the execution of a Memorandum of Understanding on 26 March 2013 between the Company, its wholly owned subsidiary Yilgiron Pty Ltd (**YPL**) and Hong Kong's Perpetual Mining Holding Limited (**PMHL**) the parties entered into a binding Shareholders & Development Agreement (**SDA**) on 15 October 2013 for the development of the Company's Mt Forrest Iron Ore Project.

Under the SDA PMHL will acquire 51% of YPL for a consideration of \$52.3M and YPL will become the Joint Venture vehicle for the Mt Forrest project.

There will be an initial payment of \$8,287,500 on subscription of 82,875,000 shares which will be fully paid up; with the balance of shares of 440,598,750 being partly paid. As to the balance of the subscription price, \$10 million is to be paid to fund operating expenses and completion of a feasibility study and the balance of the subscription price, \$34,049,750 is to be paid in connection with the development of the mine. It is intended that the partially paid shares will be paid up progressively against the above expenditure.

Under the SDA, Mindax will issue 25M ordinary shares to PMHL and investors to be introduced by it at \$0.10 (ten cents) per share to give gross proceeds of \$2.5M to fund future Mindax activities outside of Mt Forrest.

The SDA is subject to the satisfactory completion of various conditions precedent and securing regulatory and shareholder approvals.

One of the conditions precedent to the SDA was a proposed bonus issue by Mindax on the basis of four bonus ordinary Mindax shares for each existing Mindax ordinary share to all shareholders for zero consideration. However, since entering into the SDA, the Company became aware that as its share price is (currently) trading at

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less than 20 cents, it is unable to undertake such a capital reorganisation without breaching the ASX Listing Rules (primarily Listing Rule 7.25). As part of the review of this matter, the Company applied for a waiver of Listing Rule 7.25 which was subsequently declined by the ASX. The Company continues to work with PMHL to determine a solution to the matter to the satisfaction of both parties which also complies with the ASX Listing Rules and other relevant legislation.

The parties continue to make good progress on the activities required to satisfy the other conditions precedent to the SDA.

REVIEW OF OPERATIONS – STRATEGY

Mindax's strategy is to build a mining house for key commodities to reward shareholders well.

During the half year, the Company continued to build on previous exploration successes with further project development activities. This work was focused exclusively on existing projects with the objective to progressively move these along the development pathway towards full production and in doing so increase shareholder value. Details of progress are given in the project review section, commencing on page 5.

A key focus is to secure appropriate strategic partners for each project. Funding contributions from partners are then used for project development. Consistent with this approach, the Company continues to move forward with its farm-in/farm-out arrangement for the Meekatharra North Gold Project (entered into in October 2012) and the recently executed Shareholders and Development Agreement with PMHL for the Mt Forrest Iron Project (refer to the previous page).

Despite challenging financial markets, it was also possible to raise funds via convertible notes to support the Company's activities, with the Company raising circa \$0.9M during the half year.

REVIEW OF OPERATIONS – SUSTAINABILITY

Mindax treats sustainability as a matter of the utmost importance. It is essential for the Company to develop in a sustainable way, underpinned with good corporate governance, effective risk management and sound financial controls to ensure enduring success.

To this end, the Company operates under a sustainability framework to complement its existing corporate and exploration activities which covers the key areas of safety, health, environment, use of resources, product stewardship, communities and heritage.

The Company also has procedures in place to meet its regulatory requirements for current activities. No environmental breaches of licence conditions or other environmental regulations have occurred and there were no lost time or medical treatment injuries to staff or contractors during the half year.

REVIEW OF OPERATIONS - MT FORREST PROJECT

Overview

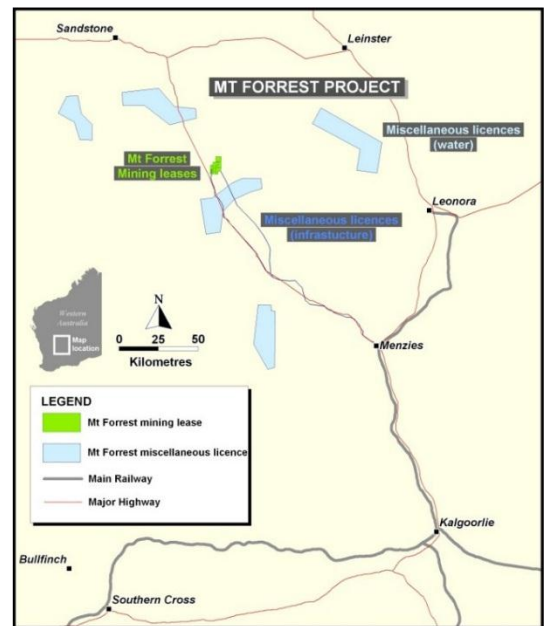
The Updated Scoping Study was completed. It has confirmed the value creation potential of the project.

The regolith resource has been bolstered with an additional 12.4Mt of Detrital iron mineralisation (Refer to ASX announcement of 27 September 2013).

Other important items which fall on the longer term project critical path have also been progressed. These are principally logistics matters, regulatory approvals, resource infill drill programme planning and discussions with potential plant and equipment providers.

Engineering, environmental and metallurgical resources have been increased to manage and progress the broader based project work program.

Considerable interaction with stakeholders continues.



Updated Scoping Study

The Updated Scoping Study was completed and reported to the market on 6 November 2013.

The study confirmed that initial DSO production can be based on 2mtpa production of 60% iron concentrate for 5 years. The proposed DSO mine plan incorporates regolith and detrital material from the updated resource announced on 27 September 2013.

The logistics plan includes: road haul to Menzies via purpose built single lane private haul road, rail transport from Menzies to Esperance and product export from expanded Esperance Port.

Total product cash costs are estimated as FOB Esperance A\$85/tonne.

Investment cost (including Feasibility Study and mine development is estimated as A\$177M. It is planned that third parties will provide a significant amount of the investment costs via a series of BOO and BOOT commercial contracts for mine site plant operations and major infrastructure.

DSO mining will open up the way for potential large scale and value creating magnetite production. The presence of existing mine site and infrastructure will facilitate transition to magnetite mining and reduce costs for the change.

The Updated Scoping Study will provide a strong basis and starting point for the announced Mt Forrest Joint Venture with PMHL to undertake a detailed Feasibility Study.

Drilling

DETRITAL MINERAL RESOURCE

On 27 September 2013, the company announced a new Mineral Resource for the detrital iron mineralisation; reporting above a 40% Fe cut-off grade is 12.4 Mt at 42.3% Fe (Table 1). This iron mineralisation represents detrital iron areas that host a continuous bed of iron mineralisation (Figure 1). The iron rich material is embedded in clay and requires beneficiation to generate the iron product. Preliminary metallurgical test work completed to date indicates a marketable product of 58% to 60% Fe can be produced. Further updates to the mineral resource are planned in 2014 and will be reported to the JORC 2012 code.

Mindax requested Optiro Pty Ltd of West Perth to generate a Mineral Resource estimate for the detrital iron which was reported and classified under the JORC Code 2004 on 27 September 2013. The mineral resource information set out below was prepared and first disclosed under the JORC Code 2004. The information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Please refer to page 16 for more information.

Table 1: Iron Resource at Mt Forrest (Reported 27 September 2013 - above a 40% cut-off).

JORC 2004	Tonnes Kt	Fe %	SiO ₂ %	Al ₂ O ₃ %	LOI %	P %	S %
November 2011 Regolith Indicated	12,340	45.5	23.0	5.2	6.1	0.06	0.07
November 2011 Regolith Inferred	2,370	44.8	26.4	4.5	4.6	0.05	0.06
September 2013 Detrital Inferred	12,440	42.3	19.9	11.4	6.3	0.02	0.04
Total Indicated and Inferred	27,150	44.0	18.0	11.8	6.0	0.04	0.06

Some inconsistencies due to rounding may occur

SCOUT DETRITAL DRILLING

Three detrital targets defined by previous drilling and gravity surveying were drill tested (refer to figure 1).

The drilling was split into two campaigns to enable approved work to take place whilst approvals were sought for subsequent activities. Campaign one drilling completed in May 2013 comprised 79 holes for 1,294m was designed to confirm the thickness and grade of the mineralised beds. During June 2013 campaign two drilling was completed consisting of 45 holes for 521m and this defined the extents of the detrital areas. Drill information including significant drill results can be reviewed on the ASX announcement dated 30 October 2013.

Drill results returned indicate the detrital area to the southwest is quite thick, up to 42m and has higher grade iron at depth. Best results include MFC0505 12m @ 40.0% Fe from 0m and 19m @ 43.7% Fe from 23m. The prospect is the largest detrital area spanning some 1,500m length by 250m width with an average depth of 15m.

The north western detrital has grown and returned better grades, although it is still deeper. Best results include drill hole MFC0607 14m @ 45.3%Fe from 0m. The overall scale of this bed is 1,300m long by 200m width and 8m thickness.

The north eastern detrital is present in two sections. The northern section scale is 450m length by 300m width with an average depth of 3m. The southern section scale is larger with 970m length by 300m width and 4m depth and includes higher grade Canga iron, intersected in MFC0551 5m @ 53.3% Fe from 0m.

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REGOLITH MINERALISATION

A further 6 holes for 238m were drilled during June at Currawong testing for southern extensions of the near surface hematite and goethite mineralisation identified during the previous drilling programme conducted in October 2010. The holes intersected a package of interbedded basalt and magnetite dominant BIF with only minor development of microplaty hematite.

WATER EXPLORATION

Four holes were completed exploring for groundwater and intersected reasonable volumes of relatively fresh, near potable ground water.

Future Infill Drilling

REGOLITH AND DETRITAL MINERALISATION

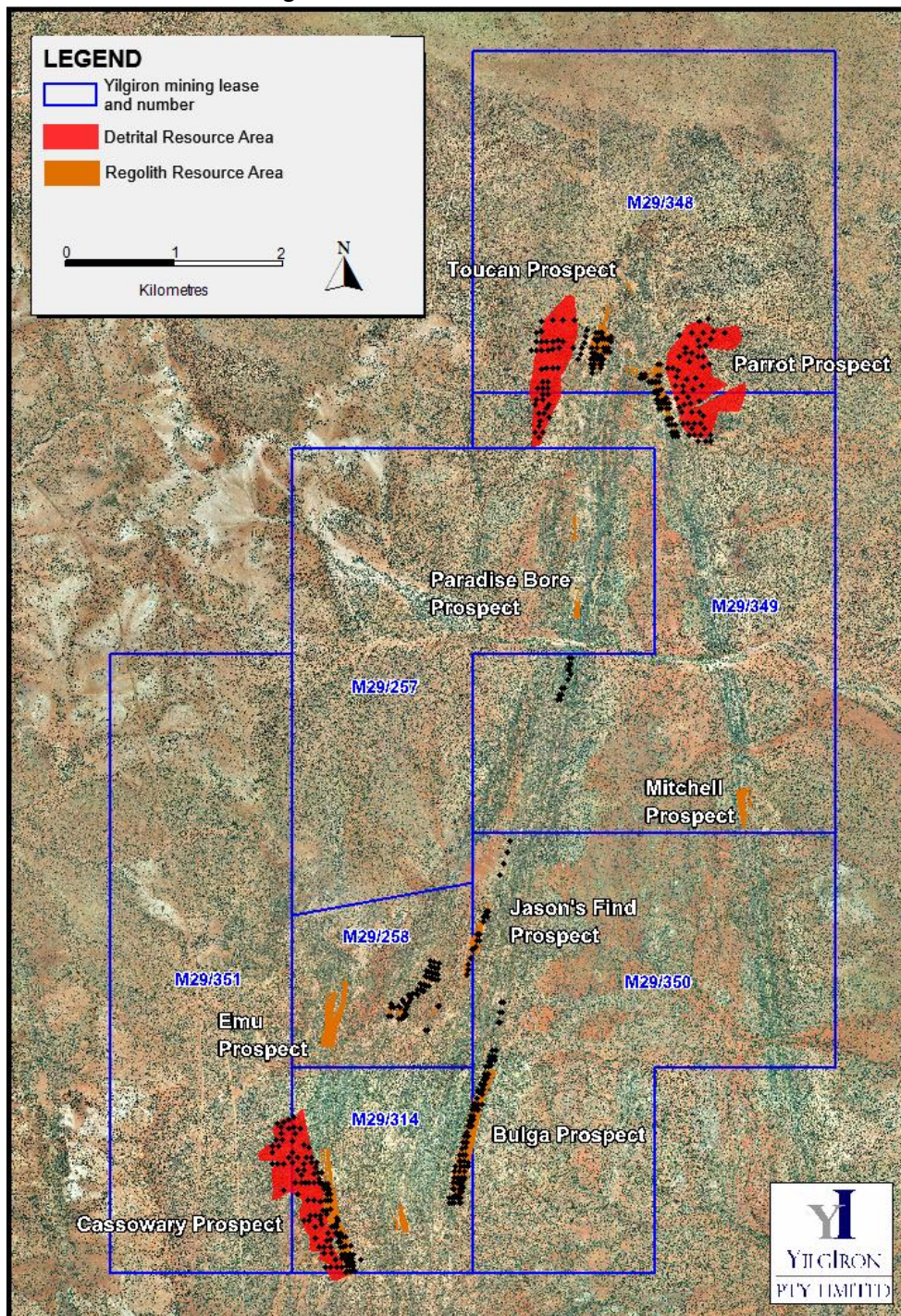
Extensive infill drill hole programs have been outlined for the various mineral resources. The infill drilling is designed to increase the confidence of both the iron grade and resource classification. Figure 1 indicates the areas that are proposed to be drill tested for the Feasibility Study.

A total of 550 holes for 23,000 metres are proposed and there will be several drill applications lodged to cater for the drilling. These plans are subject to final review.

Drilling will commence once the proposed Joint Venture for the Mt Forrest project is in place.

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Figure 1: Proposed Drill Collar Plan with regolith and detrital Mineral Resources



Metallurgical Testwork

Drill core samples representing the detrital iron mineralisation ranging between 36% - 49% Fe, were chosen for the initial assessment. These samples were characterised using Heavy Liquid Separation (HLS) at P₁₀₀ 1mm. This preliminary test work indicated that a 58% to 60% Fe product could be produced. Initial mass recoveries ranged from 18% to 54%. Initial testing of diamond core material was also completed. The beneficiation route for the detrital material will be optimised during the Feasibility Study.

Heritage

The Koara People conducted a ground clearance programme prior to the drill programme commencing to ensure the protection of aboriginal heritage.

During June 2013 a representative from the Kalgoorlie branch of the Department of Aboriginal Affairs (**DAA**) spent 3 days on-site inspecting 13 selected registered heritage sites within the project area to ensure that no sites had been impacted by any of the company's exploration activities. A formal letter was subsequently received from the DAA following the inspections. The letter acknowledges Mindax with both stakeholder engagement and compliance in avoiding and protecting all the sites visited for the 3 day audit. The letter also acknowledges the engaging of stakeholders for the site Aboriginal Heritage Management Plan which is endorsed by the DAA.

The Annual meeting with stakeholders will take place in the first half of 2014.

Engineering

Engineering studies were advanced to enable the Updated Scoping Study to be completed.

The layout for site infrastructure required for production was refined and updated based upon a high level mining study that included the increased resource. Areas of disturbance were identified based upon the updated site layout and mine pit shells generated from the mining study. This included the siting of the tailings facility, mine operations facility, the power station, fuel storage and the accommodation camp.

Process design to scoping study level was undertaken based on the updated regolith resource. Mining is based upon the utilisation of surface mining techniques and in-pit crushing. The material is further crushed at the process plant prior to standard gravity beneficiation techniques to produce a marketable product in the range 58-60% Fe.

A desktop water resource study was undertaken to advise on the most prospective areas for a water exploration drilling programme within the existing mining leases (see comments on water exploration above). Pipeline and services pathways were mapped from the potential bore field area to the accommodation camp and process plant.

Site layout, mine plan, mining methods and haul paths to the process plant which were considered for the Regolith and Detrital ore bodies also took into account future mining requirements associated with the magnetite ore bodies.

A site reconnaissance field trip was undertaken to visit the proposed infrastructure sites including the tailings facility, mine operations facility, the power station, fuel storage and the accommodation camp.

Detailed discussions have commenced with potential providers of mine plant equipment and infrastructure.

Logistics

Plans for the proposed haul road route from site to the rail at Menzies have progressed. The objective is to maximise the tonnes hauled per truck and reduce the amount of truck movements on the road. This will reduce costs and improve safety for all road users. Work has included selection of optimal routing for the road and commencement of related environmental survey work.

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Discussions with other Yilgarn miners, the Shire of Menzies and government agencies continue for the development of a single rail load out facility south of Menzies. The Company will continue to engage with both the above and below ground rail operators as the project schedule progresses to ensure alignment with the proposed completion date for the Esperance port capacity expansion.

The Company continues to be engaged fully in the Esperance Port expansion process. Further meetings were held with the selected port shortlisted proponents with a focus on delivering the port expansion at a realistic cost and in the shortest possible timeframe.

Mindax continues to be very active with the Yilgarn Iron Producers Association (YIPA) with regard to logistics matters and also to work cooperatively with Jupiter Mines Limited in areas of common interest.

Environmental

A number of environmental and stakeholder consultations were completed in support of the Environmental Impact Assessment (EIA) for the project with much of this work in excess of the requirements for a Scoping Study. This work was a priority in order to ensure the approvals timeline for the project will meet the Esperance port availability schedule.

Surveys already completed include Level 2 vegetation survey across the entire site, Level 2 terrestrial vertebrate fauna survey, a dedicated Malleefowl survey and subterranean fauna survey.

Preparatory work for regulatory approval submissions is well advanced. Field surveys across the proposed private haul road corridor were completed.

Stakeholder Engagement

Discussions were undertaken with the Environmental Protection Authority, the Department of Mines and Petroleum, the Department of Environment Conservation and the Department of Aboriginal Affairs to provide a project update and to discuss the required regulatory approvals.

Discussions were undertaken with the DEC in Kalgoorlie and the Conservation Council in Perth to update them on our environmental surveys and project progress.

Regular discussions were undertaken with the Shire of Menzies regarding the potential impact on the town of the mine development and potential government support for additional infrastructure required with this increased activity.

The Company presented an overview of all the company's projects to a number of interested parties at the Goldfields/Esperance 'Down the Track Forum' held in Kalgoorlie-Boulder.

REVIEW OF OPERATIONS - YAJV URANIUM

Mindax Energy Pty Ltd (80.8%) and operator with Quasar Resources Pty Ltd (19.2%). Position unchanged for the half year.

Overview

Following the 2013 exploration programme which was funded exclusively by Mindax, the Company’s equity position in the Yilgarn Avon Joint venture has increased to 80.8%.

A meeting with the Joint Venture partner, Quasar Resources Pty Ltd (**Quasar**), was held in August to review the 2013 exploration programme. The meeting provided the opportunity for Quasar to evaluate the 2013 drilling results and to provide feedback to Mindax regarding the direction of future exploration programmes and supply advice about the key inputs required for a desktop study into developing a theoretical mine model.

A formal response has been received from Quasar advising their intention not to provide funds for the 2014 exploration program.

Further desktop study work has been undertaken into developing a theoretical project model from exploration through to uranium production.

Planning of the 2014 exploration drill programme is nearing completion, with some of the proposed drill programs already submitted to the Mines Department for approval.

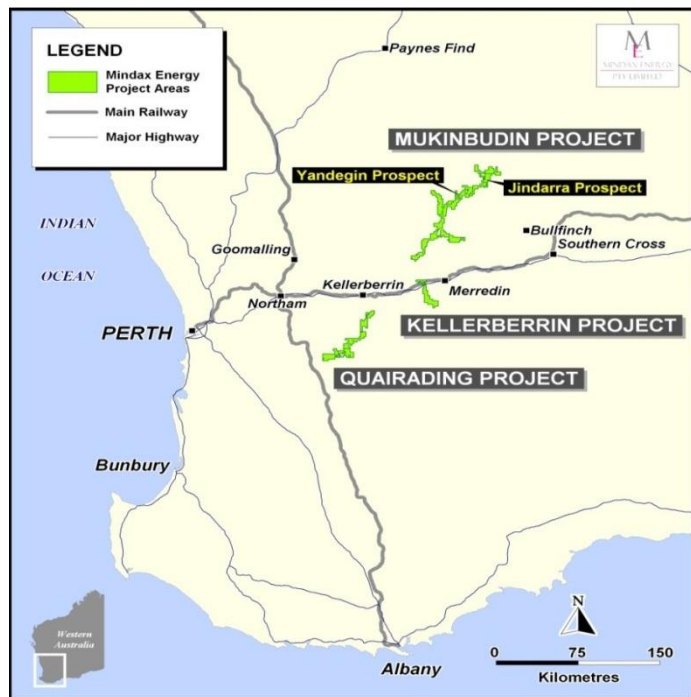
In addition, subsequent to 31 December 2013 a detailed assessment of the Uranium Project was completed following the 2013 drill program. Future exploration work will focus exclusively on increasing the substantial and highly prospective Mukinbudin project area where a 2004 JORC resource of 3.2Mlb U₃O₈ resides.

The geological review of the Quairading and Kellerberrin Projects has downgraded the uranium prospectivity and therefore all tenements in the Kellerberrin and Quairading project areas were relinquished on 13 February 2014 to rationalise and streamline overall project tenement holding. Joint venture partner Quasar supports the changes and future approach.

The Combined Annual Report C214/2007 was completed and delivered to the Department of Mines and Petroleum (**DMP**).

Mukinbudin Project

No work was undertaken during the reporting period.

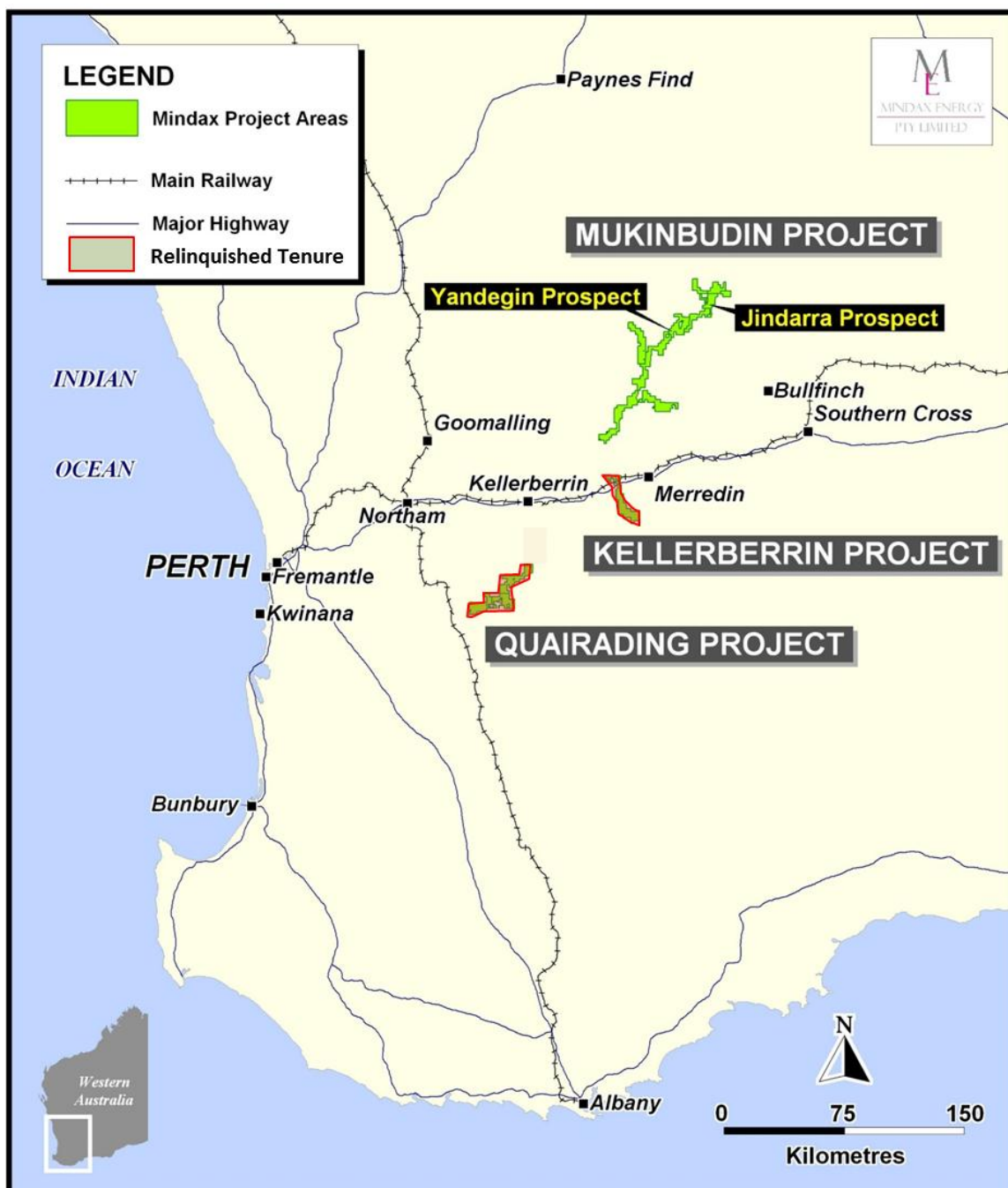


Quairading & Kellerberrin Projects

At Quairading, tenement E70/3040 was relinquished in July 2013 due to the low prospectivity for Uranium. A surrender report for E70/3040 and the Combined Annual Report C246/2008 was completed and delivered to the DMP. Figure 2 below details the three remaining tenements for the project, plus that of the relinquished tenement.

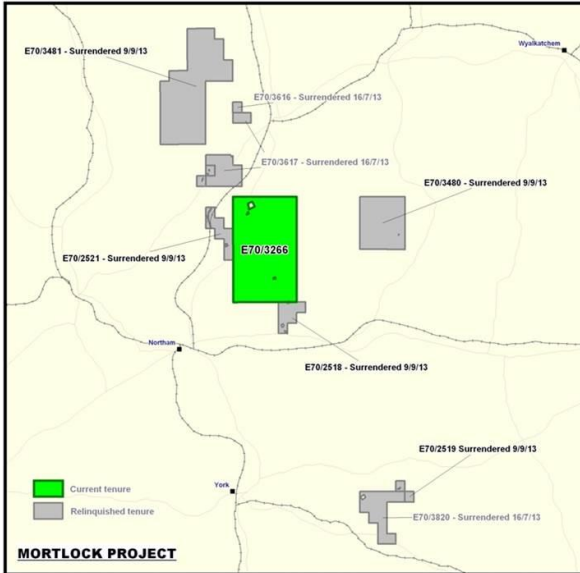
As mentioned in the Overview, all remaining tenements at Quairading and Kellerberrin were relinquished on 13 February 2014 to rationalise and streamline overall project tenement holding. A non-cash write-off of capitalised exploration and evaluation expenditure relating to the tenements was written-off for the purposes of the 31 December 2013 reporting period.

Figure 2: Mukinbudin project tenements and the relinquished Quairading & Kellerberrin project tenements.



REVIEW OF OPERATIONS - YAJV MORTLOCK (COPPER, GOLD)

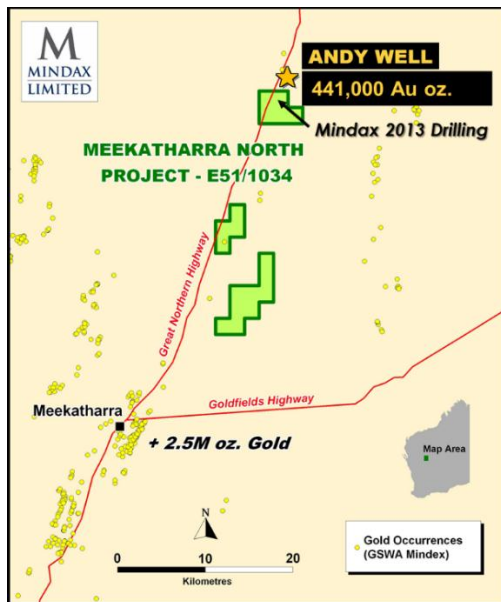
Mindax Energy Pty Ltd (80.8%) and operator with Quasar Resources Pty Ltd (19.2%). Position unchanged for the half year.



The prospectivity of the remaining tenure of the Mortlock Project was reviewed and it was determined that tenement E70/3266 has the greatest likelihood to host a significant copper-gold ore body. The remaining eight tenements were ranked lower and with a poor standing with the Mines Department, were recommended for surrender to the JV partners. Two tranches of relinquishments were completed, the first round on July 16 and the second on the 9th of September 2013 effectively ending the JV entity involving Sipa Resources Limited.

REVIEW OF OPERATIONS - MEEKATHARRA NORTH JV (GOLD)

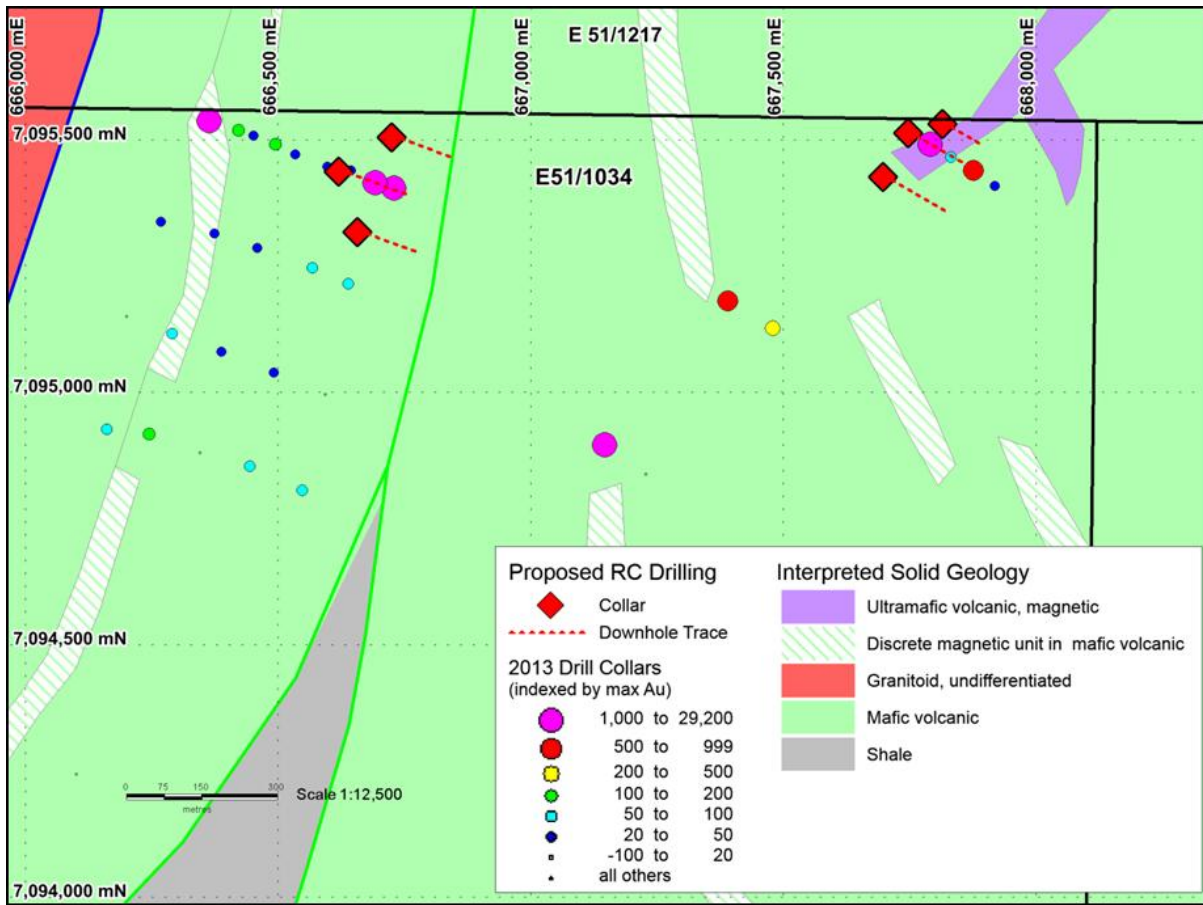
Mindax 100% and operator (JV earn-in phase commenced). Position unchanged for the half year.



The 2013 drill programme involved a total of 33 drillholes for 3,605 metres which were drilled between 16 July and 15 August 2013 and designed to follow up the targets generated by January 2013 sub-audio magnetic (SAM) survey. Assay results confirmed that high grade gold has been intersected in two locations at Meekatharra North (see figure 4 below). Best results are 5 metres at 5.05 g/t Au (including maximum 1 metre at 13.10g/t Au) and 3 metres at 9.75g/t Au (including maximum 1 metre at 13.50 g/t Au). All drilling results and collar information can be reviewed in the ASX announcement dated 4 October 2013.

The drill results also confirm that high grade gold has been successfully intersected for two of four SAM targets. The gold is interpreted to be contained in both vein quartz and a mineralised shear hosted within strongly altered basalt, hole MNC001 intersected one metre at 13.50 g/t Au from a quartz vein (see figure 5 below). Multiple mineralised structures have been intersected at both of the SAM targets and the continuity of these structures are open along strike and will form part of future exploration programmes together with the remaining two untested targets.

Figure 3: 2014 RC drilling targets with 2013 drilling



Very limited drilling has been completed on the newly discovered mineralised structures and therefore limits the mineralisation to be accurately interpreted. The current geological interpretation is based on a compilation of regional structural and geophysical interpretations and this is working extremely well for Mindax.

Figure 4: 2013 SAM exploration targets with 2013 drilling.

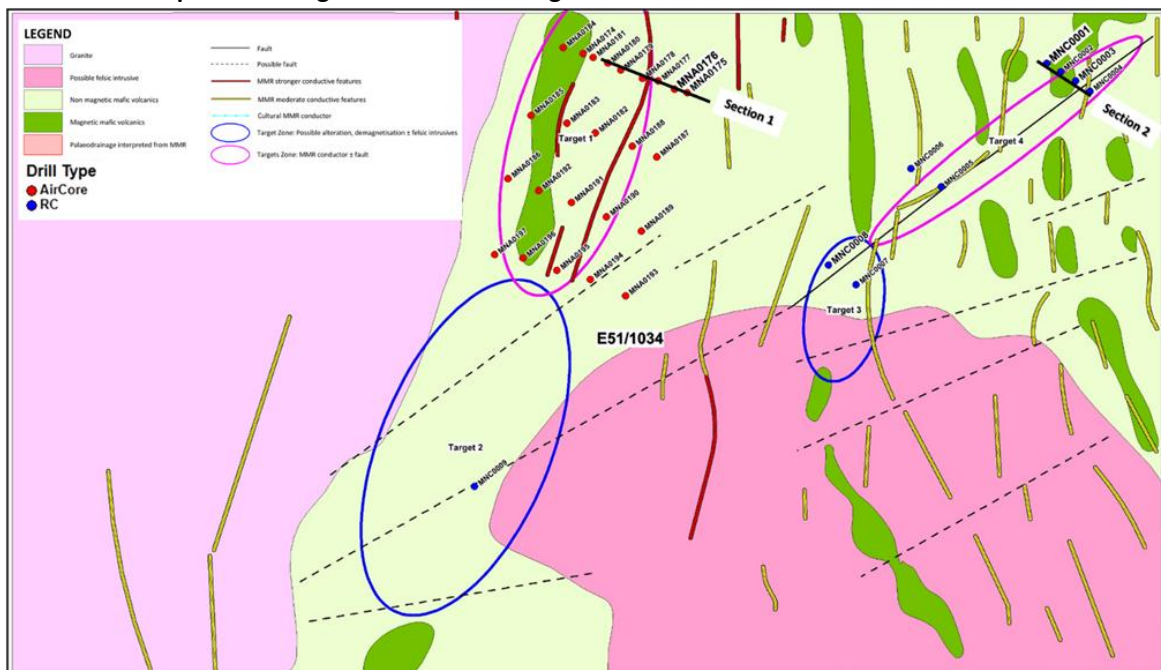
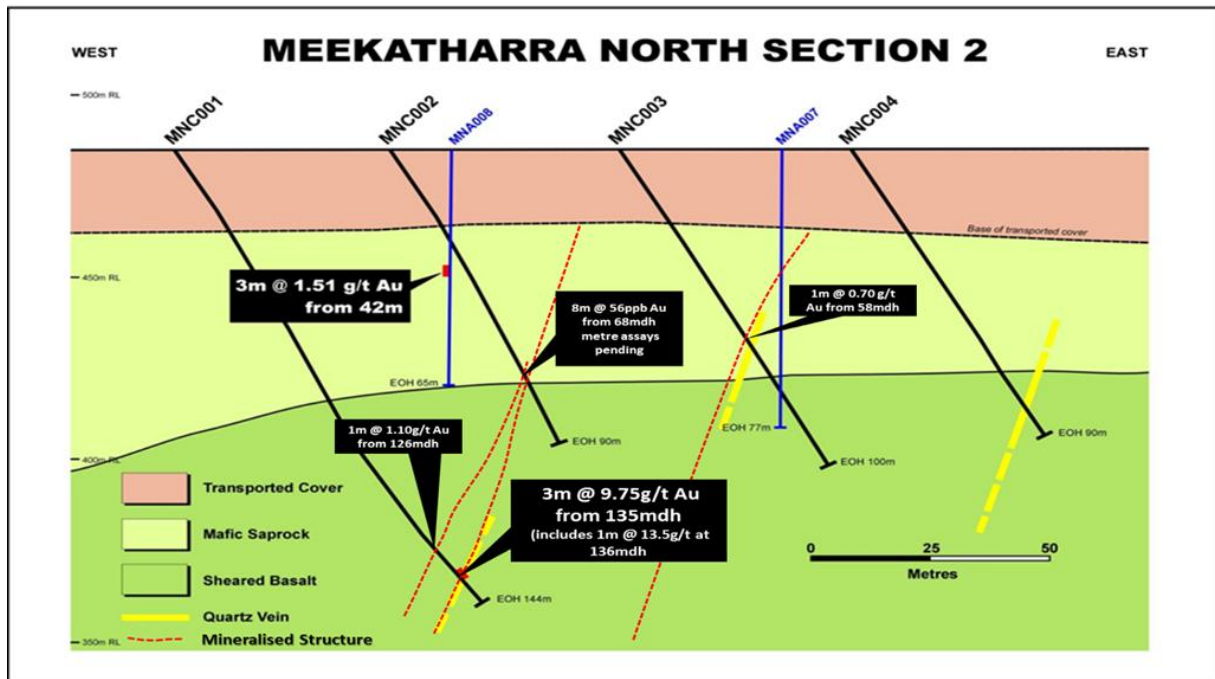


Figure 5: 2013 Stylised Drill Section with Interpreted Geology.



Following discussions with the project’s JV partners, a new drill programme has been developed to target down-dip extensions of the successful high grade gold intersections from the August 2013 scout exploration program.

The proposed drilling will focus on the two main locations where high grade gold was intersected from drilling at Meekatharra North (see figure 3 above).

The drilling programme will be funded by the JV partner who contributed a further \$300,000 in January 2014. The programme commenced on 13 February 2014.

The project area is highly prospective and located adjacent to Doray’s new Andy Well Gold mine.

REVIEW OF OPERATIONS - TENURE

A total of 42 tenements, licences and applications covering 4,158.9 km² were held as at 31 December 2013.

39 are granted titles: 7 mining leases, 18 exploration licences and 14 miscellaneous licences.

3 are applications for miscellaneous licences related to the Mt Forrest Iron Project.

As set out on page 12, subsequent to 31 December 2013 a detailed assessment of the Uranium Project was completed resulting in the Quairading and Kellerberrin project tenements (5 tenements in total) being relinquished on 13 February 2014.

REVIEW OF OPERATIONS - TENEMENTS

Tenements Applications

Three applications for miscellaneous licences relating to the Mt Forrest Iron Project remain outstanding, being L29/86 (infrastructure), L29/87 (infrastructure) and L57/39 (water).

Tenements Granted

Four tenements were granted during the period: L29/102, L29/104, L37/208 and L57/38.

Tenements Surrendered

Ten tenements were surrendered during the period: E70/2518, E70/2519, E70/2521, E70/3040, E70/3616, E70/3617, E70/3820, E70/3480, E70/3481 and L29/107.

Eight were from the YAJV Mortlock Project, one from YAJV Uranium (Quairading) Project and the other being from the Mt Forrest Project (a miscellaneous licence).

Post balance date, on 13 February 2014, a further five exploration tenements were surrendered, three from the YAJV Uranium (Quairading) project (E70/3039, E70/3165 and E70/3168) and two from the YAJV Uranium (Kellerberrin) project (E70/3178 and E70/3641).

REPORTING UNDER JORC 2004 AND JORC 2012

The 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code) formally came into effect on 1 December 2013.

The mineral resource information contained in this half year report was prepared and first disclosed under the 2004 edition of the JORC Code. The information has not been updated since to comply with the 2012 edition of the JORC Code on the basis that the information has not materially changed since it was last reported.

Further resource updates are planned for 2014 and such updates will be issued in compliance with the JORC Code 2012.

COMPETENT PERSONS’ STATEMENT

In relation to the information in this report that relates to Mineralisation, Exploration and Drilling Results is based on information compiled by Mr John Vinar who is a member of the Australasian Institute of Mining and Metallurgy, with more than 5 years’ experience in the field of activity being reported on. Mr Vinar is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Vinar consents to the inclusion in the report of the matters based on his information in the context in which it appears in this half year report.

In relation to the information in this report that relates to the Mt Forrest Detrital Iron Mineral Resource that was previously reported in September 2013, the table is reported in JORC 2004 code and was compiled by Mr Michael Andrew who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a competent person as defined in the 2004 edition of the

MINDAX LIMITED – HALF YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

“Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Andrew is a former employee of Optiro and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears in this half year report relating to Mineral Resources.

REVIEW OF FINANCIAL

Operating Results

The consolidated net loss for the six months from ordinary activities after providing for income tax amounted to \$2,793,255 (December 2012: loss of \$1,156,820). The loss was largely a result of write off of exploration expenditure previously capitalised and general costs and overheads associated with running the Group for the 6 months to 31 December 2013.

Financial Position

The net assets of the Group have decreased from 30 June 2013 by \$2,107,373 to \$24,555,083 at 31 December 2013. This is predominantly due to capitalised exploration costs of \$1,565,498 written off during the reporting period.

Events Subsequent To Reporting Date

MEEKATHARRA NORTH GOLD PROJECT FUNDING

On 24 January 2014 the Company received \$300,000 from Messrs Zhuang for the next phase of exploration as part of the Joint Venture earn-in arrangements. Commentary on the intended exploration programme can be found on page 13.

CORPORATE UNSECURED NON-RECOURSE LOAN

Post balance date, on 7 February 2014, the Company secured short term funding by way of an unsecured non-recourse loan for \$250,000 from Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang, for the purposes of funding project activities and for general working capital.

The loan is to be repaid by the Company on or before 31 January 2015; and the Company may (at its sole discretion) elect to repay the loan through conversion of the loan into fully paid ordinary shares in the capital of the Company (Shares). The loan cannot be converted into Shares if such conversion would cause Ms You or the Company to breach the Corporations Act 2001 (Cth) or the Listing Rules of the ASX. In this regard, any conversion of the Loan into Shares will require the prior approval of shareholders.

TENEMENT RELINQUISHMENTS

The partners of the YAJV determined that the following tenements associated with the Kellerberrin and Quairading areas of the Uranium Project were no longer prospective and were relinquished by the Company on 13 February 2014. Capitalised exploration and evaluation expenditure of approximately \$1.1M associated with these tenements was also written off by the Company for half year end reporting purposes:

- a) E70/3168 Quairading
- b) E70/3165 Quairading
- c) E70/ 3039 Quairading
- d) E70/3178 Kellerberrin
- e) E70/3641 Kellerberrin

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Other than disclosed above there are no other matters or circumstances that have arisen since the end of the half year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Dividends Paid or Recommended

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

End of Operations and Financial Review

AUDITOR'S DECLARATION

A copy of the independence declaration by the lead auditor under section 307C of the Act is included on page 19 to this half-year financial report.

DIRECTORS' DECLARATION

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:



Stephen Ward
Managing Director

Dated at Perth this 14th day of February 2014

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor for the review of Mindax Limited for the half-year ended 31 December 2013, 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.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 14 February 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31 Dec 2013	31 Dec 2012
	\$	\$
Revenue from continuing operations	26,889	50,214
Other income	-	3,414
Advertising	(33,936)	(38,189)
ASX fees	(32,274)	(37,131)
Depreciation and amortisation expense	(9,544)	(8,774)
Directors fees	(176,204)	(139,948)
Employee benefits expense	(477,558)	(547,554)
Share based payments – employee options	(75,882)	(24,693)
Write-off of exploration expenditure	(2) (1,565,498)	(45,681)
Corporate management fees	(1,899)	(33,336)
Consulting fees	(148,479)	(32,296)
Occupancy expense	(15,463)	(16,514)
Travel expenses	(101,088)	(115,926)
Other expenses	(182,319)	(170,406)
Loss before income tax	(2,793,255)	(1,156,820)
Income tax benefit	-	-
Net loss for the half year	(2,793,255)	(1,156,820)
Other comprehensive income	-	-
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive loss for the half-year	(2,793,255)	(1,156,820)
Loss for the half-year is attributable to:		
Owners of Mindax Limited	(2,793,255)	(1,156,820)
Total comprehensive loss for the half-year is attributable to:		
Owners of Mindax Limited	(2,793,255)	(1,156,820)
Earnings per share for loss from continuing operations attributable to ordinary equity holders of the Company		
Loss per share:		
Basic and diluted (cents per share)	(1.104)	(0.597)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

MINDAX LIMITED – HALF YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

	(Note)	31 Dec 2013	30 June 2013
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		916,106	3,459,634
Trade and other receivables		149,723	234,475
Prepayments		82,291	58,893
TOTAL CURRENT ASSETS		<u>1,148,120</u>	<u>3,753,002</u>
NON-CURRENT ASSETS			
Prepayments		60,000	60,000
Plant & equipment		214,990	244,070
Exploration and evaluation assets		24,064,258	24,160,253
Other assets		2,885	2,885
TOTAL NON-CURRENT ASSETS		<u>24,342,133</u>	<u>24,467,208</u>
TOTAL ASSETS		<u>25,490,253</u>	<u>28,220,210</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		533,467	1,431,315
Borrowings	(8)	300,000	-
Provisions		101,703	126,439
TOTAL CURRENT LIABILITIES		<u>935,170</u>	<u>1,557,754</u>
TOTAL LIABILITIES		<u>935,170</u>	<u>1,557,754</u>
NET ASSETS		<u>24,555,083</u>	<u>26,662,456</u>
EQUITY			
Issued capital		39,963,930	39,353,930
Reserves		871,452	795,570
Accumulated losses		(16,280,299)	(13,487,044)
TOTAL EQUITY		<u>24,555,083</u>	<u>26,662,456</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Contributed equity \$	Accumulated losses \$	Equity reserves \$	Total equity \$
Balance at 1 July 2012	33,875,906	(11,672,911)	680,151	22,883,146
Comprehensive loss for the half-year		(1,156,820)	-	(1,156,820)
Total comprehensive loss for the half-year		(1,156,820)	-	(1,156,820)
Transactions with owners in their capacity as owners				
Shares and options issued during the period	3,586,210	-	24,693	3,610,903
Application for shares allotted	300,000	-	-	300,000
Transaction costs	(125,686)	-	-	(125,686)
Subtotal	3,760,524	-	24,693	3,785,217
Balance at 31 December 2012	37,636,430	(12,829,731)	704,844	25,511,543
Balance at 1 July 2013	39,353,930	(13,487,044)	795,570	26,662,456
Comprehensive loss for the half-year		(2,793,255)	-	(2,793,255)
Total comprehensive loss for the half-year		(2,793,255)	-	(2,793,255)
Transactions with owners in their capacity as owners				
Shares and options issued during the period	600,000	-	-	600,000
Share based payments	-	-	75,882	75,882
Transaction costs	10,000	-	-	10,000
Subtotal	610,000	-	75,882	685,882
Balance at 31 December 2013	39,963,930	(16,280,299)	871,452	24,555,083

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	(Note)	31 Dec 2013 \$	31 Dec 2012 \$
Cash flows from operating activities			
Interest received		36,956	43,700
Other revenue		-	-
Payments to suppliers and employees		(2,673,658)	(1,286,654)
Net cash (outflow) from operating activities		<u>(2,636,702)</u>	<u>(1,242,954)</u>
Cash flows from investing activities			
Payments for:			
Property, plant & equipment		(5,942)	(11,621)
Exploration expenditure		(800,884)	(982,615)
Net cash (outflow) investing activities		<u>(806,826)</u>	<u>(994,236)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	3,586,210
Application for shares allotted		-	300,000
Joint Venture funds received		-	100,000
Proceeds received from convertible notes	(5 & 8)	900,000	-
Net cash inflow/(outflow) by financing activities		<u>900,000</u>	<u>3,986,210</u>
Net increase/(decrease) in cash held		(2,543,528)	1,749,020
Net cash at beginning of the period		<u>3,459,634</u>	<u>2,201,405</u>
Net cash at the end of the period		<u><u>916,106</u></u>	<u><u>3,950,425</u></u>

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 HALF-YEAR FINANCIAL STATEMENTS

STATEMENT OF COMPLIANCE

This general purpose financial report for the interim half year reporting period ended 31 December 2013 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2013 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, other than for the adoption of AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements and AASB 12 Disclosure of Interests in Other Entities, AASB 13 Fair Value Measurement and AASB 119 Employee Benefits which came into effect on 1 July 2013 from Mindax's perspective. Mindax have reviewed the impact of applying these new standards compared to the previous standards AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards and concluded that there is no material impact on the Group's performance and position arising from the initial application of these standards and, apart from additional note disclosures required under AASB 13, they are therefore immaterial in the context of Mindax's financial report for the interim half-year reporting period ended 31 December 2013 or the comparative information.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2013.

GOING CONCERN

The interim 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 consolidated entity incurred a net loss of (\$2,793,255) and incurred net cash outflows from operating activities of (\$2,636,702).

The ability of the consolidated entity to continue as a going concern is dependent on the continued support of its strategic (JV) partners and the consolidated entity being able to raise additional funds as required to fund ongoing exploration commitments, conduct feasibility studies on the Company's projects and for working capital. The directors believe that they will be able to raise additional capital as required and are in the process of evaluating the consolidated entity's cash requirements. The directors believe that the consolidated entity will

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continue as a going concern. As a result the interim financial report has been prepared on a going concern basis. However should the consolidated entity be unsuccessful in undertaking additional raisings, or continue with funding from joint venture partnerships, the consolidated entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability of assets and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

NOTE 2 – SEGMENT INFORMATION

IDENTIFICATION OF REPORTABLE SEGMENTS

The Group has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach'. That is, segment information is provided on the same basis as information used for internal reporting purposes.

This has resulted in the segment being disaggregated into 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 the Managing Director. Based on the contents of this report, the four reportable segments identified are:

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

Segment information provided to the directors of the Company for the half-year ended 31 December 2013 is as follows:

Half-year ended	Uranium	Gold	Copper and Gold	Iron Ore	Total
31 December 2013	\$	\$	\$	\$	\$
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	<u>(1,515,289)</u>	<u>-</u>	<u>(2,418)</u>	<u>(47,791)</u>	<u>(1,565,498)</u>

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Half-year ended	Uranium	Gold	Copper and Gold	Iron Ore	Total
31 December 2012	\$	\$	\$	\$	\$
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	-	-	(45,681)	-	(45,681)

Total segment assets

31 December 2013	<u>3,865,788</u>	<u>902,165</u>	<u>854,099</u>	<u>18,442,205</u>	<u>24,064,257</u>
30 June 2013	<u>5,405,637</u>	<u>862,454</u>	<u>639,583</u>	<u>17,252,579</u>	<u>24,160,253</u>

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

	Consolidated	
	31 Dec 2013	31 Dec 2012
	\$	\$
Total profit or loss for reportable segments	(1,565,498)	(45,681)
Intersegment eliminations	-	-
<u>Unallocated amounts</u>		
Interest revenue	29,676	50,214
Other revenue	-	3,414
Depreciation and amortisation	(9,544)	(8,774)
Employee benefits expense	(477,558)	(547,554)
Share-based payments	(75,882)	(24,693)
Travel costs	(101,088)	(115,926)
Other expenses	(593,361)	(467,819)
Loss before income tax from continuing operations	<u>(2,793,255)</u>	<u>(1,156,820)</u>

Total asset amounts provided to the Board of directors are measured in the same way that they are measured in the financial statements. Segment assets are allocated based on the operations of the segment and the physical location of the assets.

MINDAX LIMITED – HALF YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

NOTE 3 – CONTINGENT ASSETS AND LIABILITIES

A term deposit of \$20,000 had been secured by the Company's bankers to provide a bank guarantee in favour of the Minister for the Department of Mines and Petroleum as an unconditional performance bond on E57/555. This tenement was surrendered by the Company and the bond was released by the Department on 20 December 2013.

A term deposit of \$124,042 has been secured by the Company's bankers to provide a bank guarantee in support of the lease agreement for the Company's business premises.

Since the last annual reporting date, there has been no other material change in any contingent liabilities or contingent assets.

NOTE 4 – DIVIDENDS

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

NOTE 5 – EQUITY SECURITIES ISSUED

CONVERSION OF A CONVERTIBLE NOTE INTO FULLY PAID SHARES

On 22 August 2013, the Company issued a convertible note for \$600,000 to Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang. A key term of the convertible note and a condition precedent to its conversion into shares was that shareholder approval to its conversion be obtained. This was obtained at the Company's 2013 Annual General Meeting (**AGM**) held on 14 November 2013. On 15 November 2013 the Company converted the convertible note and allotted 5,000,000 fully paid ordinary shares, at a price of \$0.12 per share, to Ms Lai You.

NOTE 6 – EQUITY SECURITIES VESTED

VESTING OF UNLISTED OPTIONS ISSUED TO THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

On 11 November 2013, 4M options issued by the Company on 9 November 2012 vested to Dr Stephen Ward, following the expiry of a 12 month restriction pursuant to the terms approved by shareholders on 1 November 2012.

VESTING OF UNLISTED OPTIONS ISSUED TO DIRECTORS

On 11 December 2013 2.5M options vested in the Company's Non-Executive Directors, following the expiry of a 12 month restriction pursuant to the terms approved by shareholders on 30 November 2012.

NOTE 7 – EQUITY SECURITIES CANCELLED

1,100,000 unlisted employee options, with an exercise price of \$0.45, expired on 30 September 2013 without exercise.

NOTE 8 – BORROWINGS/FINANCIAL INSTRUMENTS

On 31 December 2013, the Company issued an additional convertible note for \$300,000 to the abovementioned Ms Lai You. A key term of the convertible note is a condition precedent to conversion that shareholder approval to its conversion be obtained. Such approval is to be sought at or before the Company's 2014 AGM. Other terms of the note include:

MINDAX LIMITED – HALF YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

- This Note is unsecured.
- The Note will not convert and it will be a condition precedent to its conversion into Shares that shareholder approval to its conversion be obtained as soon as practicable following the issue of the Note and in any event by no later than the Company's 2014 Annual General Meeting.
- The Note shall convert into ordinary fully paid shares (**Shares**) in the capital of the Company at the Issue Price, immediately following the meeting at which shareholders approve the conversion.
- The "Issue Price" is A\$0.10 (ten cents) per Share.
- No interest will be payable on the Note unless shareholder approval to the conversion of the Note is not obtained on or before the Company's 2014 Annual General Meeting
- Interest applicable (in the event of non-approval by shareholders) will accrue at the rate of 9% per annum, capitalised monthly from the date of issue of the Note until the date the Note is repaid.
- If not converted the face value of the Note is to be repaid on 31 January 2015.

Funds raised from the above fund raising activities were applied to the Company's project activities and to provide working capital.

This financial instrument it is not measured at fair value in the balance sheet as at 31 December 2013. Due to the short-term nature of the current borrowing, the carrying amount of the convertible note is assumed to approximate its fair value (also refer to Note 11 – Fair Value Measurement).

NOTE 9 - RELATED PARTY TRANSACTIONS

CONVERTIBLE NOTES

On 22 August 2013 and 31 December 2013, the Company issued Convertible Notes of \$600,000 and \$300,000 respectively to Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang.

Refer to Note 5 – Equity Securities Issued and Note 8 – Borrowings/Financial Instruments, for additional information.

NOTE 10 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

MEEKATHARRA NORTH GOLD PROJECT FUNDING

On 24 January 2014 the Company received \$300,000 from Messrs Zhuang for the next phase of exploration as part of the Joint Venture earn-in arrangements. Refer to the commentary on page 13 for more information.

CORPORATE UNSECURED NON-RECOURSE LOAN

Post balance date, on 7 February 2014, the Company secured short term funding on by way of an unsecured non-recourse loan for \$250,000 (**the Loan**) from the aforementioned Ms Lai You for the purposes of funding project activities and for general working capital.

The Loan is to be repaid by the Company on or before 31 January 2015; and the Company may (at its sole discretion) elect to repay the Loan through conversion of the Loan into fully paid ordinary shares in the capital of the Company (**Shares**). The Loan cannot be converted into Shares if such conversion would cause Ms You or the Company to breach the Corporations Act 2001 (Cth) or the Listing Rules of the ASX. In this regard, any conversion of the Loan into Shares will require the prior approval of shareholders.

MINDAX LIMITED – HALF YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

NOTE 11 – FAIR VALUE MEASUREMENT

FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE ON A RECURRING BASIS

At 31 December 2013 and 30 June 2013, the carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. For current borrowings, the fair value approximates the carrying value amount, as the impact of discounting is not significant.

DECLARATION BY DIRECTORS

In the directors' opinion:

- a) The financial statements and notes, set out on pages 20 to 29 are in accordance with the *Act* and:
 - i. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. give a true and fair view of the consolidated entity's financial position, as at 31 December 2013 and of its performance for the half-year ended on that date, and
- b) There are reasonable grounds to believe that Mindax Limited 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.



Stephen Ward
Managing Director

Dated at Perth this 14th day of February 2014

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 balance sheet as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 2013 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.



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 2013 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

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that during the half-year ended 31 December 2013 the consolidated entity incurred a net loss after tax of \$2,793,255 and that the consolidated entity intends to seek additional funding in order to fund its exploration programs. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch

Director

Perth, 14 February 2014