MINDAX LIMITED

ABN 28 106 866 442

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2005

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

Suite 9/ 57 Labouchere Road
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

21 Teddington Road
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)
MDXO (options)

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MINDAX LIMITED
ABN 28 106 866 442

DIRECTORS' REPORT

The directors present their report together with the financial report of Mindax Limited ("the Company") for the half-year ended 31 December 2005 and the auditor's review thereon.

1 DIRECTORS

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

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

2 OPERATING RESULTS

The net loss from ordinary activities after providing for income tax amounted to $261,728.

3 REVIEW OF OPERATIONS

EXPLORATION

The Company continued its exploration efforts on its tenement prospects during the half year ended 31 December 2005. Some highlights include:

SANDSTONE – BULGA DOWNS PROJECT (Gold)

Soil sampling was completed (516 samples) to infill the Paradise Well gold in soil anomaly. The work confirmed the continuity of previous broader spaced samples. Two targets of 600 m and 250m length are now defined for RAB drilling.

SANDSTONE – MAYNARD HILLS PROJECT (Gold)

Geochemical sampling has defined seven gold in soil targets for drilling.

GDA approval was received to drill targets along the Ten Mile – Coombe Bore line adjacent to the Edale fault. A total of 250 holes are planned for 6000m. Drilling is due to commence in mid February 2006.

SANDSTONE LAKE NOONDIE PROJECT (Uranium)

Sampling of the lake surface has returned assay values of up to 52ppm U (against a background of < 5ppm U).

Supplementary submissions for Section 18 clearance are with the Aboriginal Cultural Materials Committee and assessment is expected in early February. Once clearance has been obtained, the Company plans to undertake a drilling program of 50 air core holes over the prospect.

MT ALEXANDER PROJECT (Nickel)

Soil sampling (617 samples) was completed along the ultramafic. Results show a maximum nickel value of 560 ppm and copper of 553 ppm (non-coincident). EM geophysics is planned.

DIRECTORS' REPORT, CONTINUED

MEEKATHARRA NORTH PROJECT (Gold)

The Meekatharra North exploration lies along structure from the **Paddy's Flat** field where 2.5 million ounces of gold have been produced and is adjacent to the recent Mercator plc discovery at **Maid Marion**. The area is substantially covered by a generally thin blanket of colluvium and alluvial trains.

GDA approval has been obtained however heritage clearances are outstanding and are not expected before March 2006. Once heritage clearances have been obtained, an extensive reconnaissance drilling program is planned.

CORPORATE

On 21 December 2005 the Company issued the following options with an exercise price of $0.25 and expiry date of 21 December 2008 for nil consideration to incentivize the relevant employees through non cash means:

-500,000 options to the Company's Managing Director, Mr GJ Bromley, approved at the Company's AGM on 11 November 2005;

-340,000 options to arms length employees.

4 AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations act 2001 is set out on page 3 for the half year ended 31 December 2005.

This report is made with a resolution of the directors:

GREGORY JOHN BROMLEY
Director

Dated at PERTH this 10TH day of MARCH 2006

Horwath Audit (WA) Pty Ltd
ABN 79 112 284 787
Chartered Accountants
A member of Horwath International
128 Hay Street Subiaco WA 6008
PO Box 700 West Perth WA 6872
Email horwath@perth.horwath.com.au
Telephone (08) 9380 8400
Facsimile (08) 9380 8499

10 March 2006

The Board of Directors
Mindax Limited
Suite 7, 1st Floor
10 Canning Highway
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 for the half-year ended 31 December 2005 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

Horwath

A G BEVAN
Director

INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Note	The Company 31.12.2005 $	31.12.2004 $
Revenue	2	61,283	11,504
Depreciation and amortisation expense		(22,727)	(141)
Employee expenses		(63,831)	(19,150)
Finance costs		(4,720)	-
Share-based payment – Employee Options		(36,120)	-
Other expenses		(195,613)	(88,832)
Loss before income tax	2	(261,728)	(96,619)
Income tax benefit		-	-
Net loss attributable to members of the Company		(261,728)	(96,619)
Overall Operations:			
Basic loss per share:			
Ordinary shares		(.006)	(.003)

The accompanying notes form part of these financial statements

MINDAX LIMITED
ABN 28 106 866 442

BALANCE SHEET
AS AT 31 DECEMBER 2005

	The Company 31.12.2005 $	30.06.2005 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,939,644	2,628,170
Trade and other receivables	19,743	13,199
Other current assets	1,530	10,368
TOTAL CURRENT ASSETS	1,960,917	2,651,737
NON-CURRENT ASSETS		
Property, plant & equipment	164,175	54,766
Exploration & evaluation expenditure	2,491,321	2,154,238
Other non-current assets	3,785	3,785
TOTAL NON-CURRENT ASSETS	2,659,281	2,212,789
TOTAL ASSETS	4,620,198	4,864,526
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	90,634	220,142
Interest bearing liabilities	40,005	15,310
Short-term provisions	9,529	6,009
TOTAL CURRENT LIABILITIES	140,168	241,461
NON CURRENT LIABILITIES		
Interest bearing liabilities	93,630	11,057
TOTAL NON CURRENT LIABILITIES	93,630	11,057
TOTAL LIABILITIES	233,798	252,518
NET ASSETS	4,386,400	4,612,008
EQUITY		
Issued capital	4,876,230	4,876,230
Reserves	36,120	-
Accumulated losses	(525,950)	(264,222)
TOTAL EQUITY	4,386,400	4,612,008

The accompanying notes form part of these financial statements

MINDAX LIMITED
ABN 28 106 866 442

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Share Capital Ordinary $	Accumulated Losses $	Option Reserve $	Total $
Balance at 1.7.2004	**609,357**	**(12,470)**	**-**	**596,887**
Shares issued during the year	4,281,324	-	-	4,281,324
Loss attributable to members of Company	-	(96,619)	-	(96,619)
Sub-total	4,890,681	(109,089)	-	4,781,592
Dividends paid or provided for	-	-	-	-
Balance at 31.12.2004	**4,890,681**	**(109,089)**	**-**	**4,781,592**
Balance at 1.7.2005	**4,876,230**	**(264,222)**	**-**	**4,612,008**
Shares issued during the year	-	-	-	-
Loss attributable to members of Company	-	(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	-	-	-	-
Balance at 31.12.2005	**4,876,230**	**(525,950)**	**36,120**	**4,386,400**

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Note	The Company 31.12.2005 $	31.12.2004 $
Cash flows from operating activities			
Interest received		61,283	11,504
Finance costs		(4,720)	-
Payments to suppliers and employees		(230,688)	(104,878)
Net cash (used in) operating activities		(174,125)	(93,374)
Cash flows from investing activities			
Payments for:			
Property, plant & equipment		(140,222)	(3,958)
Purchase of tenements		-	(292,749)
Exploration expenditure		(481,449)	(411,818)
Net cash (used in) investing activities		(621,671)	(708,525)
Cash flows from financing activities			
Proceeds from issue of shares		-	4,080,985
Transaction costs from issue of shares		-	(216,038)
Proceeds from borrowings		125,171	-
Repayment of borrowings		(17,901)	-
Loans repaid by/ (to) related parties		-	2,500
Net cash provided by financing activities		107,270	3,867,447
Net (decrease)/increase in cash held		(688,526)	3,065,548
Cash at the beginning of the period		2,628,170	235,316
Cash at the end of the period		1,939,644	3,300,864

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

The Company's half-year financial statements are a general purpose financial report which have been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS), AASB 134 Interim Reporting, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 and any public announcement made by the Company.

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the Company financial statements resulting from the introduction of AIFRS have been applied retrospectively to 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These financial statements are the first financial statements of Mindax Limited to be prepared in accordance with AIFRS.

Transitional Exemptions on First Time Adoption of Australian Equivalents to International Financial Reporting Standards

Reconciliations and descriptions of the effect of the transition from previous Australian GAAP to AIFRS have been included in Note 6 to this report.

Compliance with IFRS

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Mindax Limited comply with International Financial Reporting Standards (IFRS).

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss (including derivative financial instruments), certain classes of property, plant and equipment and investment property.

The accounting policies set out below have been consistently applied to all years presented, except as noted above.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Depreciation

The depreciable amount of all fixed assets excluding land, buildings and capitalised lease assets, is depreciated on diminishing value basis over their useful lives (commencing from the time the asset is ready for use). Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Property plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management. Costs includes an estimate of any expenditure expected to be incurred at the end of the asset's useful life, including restoration, rehabilitation and decommissioning costs.

The depreciation rates used for plant and equipment are 7.5% to 60% on a diminishing value basis.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred back to the income statement as part of the profit or loss on disposal.

(c) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest,

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(d) Impairment

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that the revaluation reserve relates to that asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Impairment testing is performed annually for goodwill and intangible assets with indefinite useful lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal is recognised as a revaluation increase.

(e) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and on unused tax losses. No deferred tax assets or liabilities will be recognised from the initial recognition of an asset or liability excluding a business combination, that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the income statement except where it relates to items which are recognised directly in equity, in which case the deferred tax is recognised directly in equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and tax losses can be utilised.

(f) Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade Payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity Settled Compensation

The Company operates a share based compensation scheme. In accordance with the transitional provisions, AASB 2 "Share Based Payments" has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005. No expense has been recognised in respect of options vested before 1 January 2005.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments.

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

(i) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognised upon the delivery of goods to customers and the associated risks of ownership have passed.

Interest revenue is recognised on an effective interest rate method in relation to the outstanding financial asset.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting in the consolidated financial statements.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer by reference to the stage of completion of the contract.

All revenue is stated net of the amount of goods and services tax (GST), returns, trade allowances and other duties and taxes paid.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed in the income statement using the effective rate of interest method.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(k) Leases

Leases of fixed assets where substantially all the risks and rewards incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the Company are classified as finance leases.

Finance leases are capitalised at the inception of the lease by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property and the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense.

The interest expense is recognised in the income statement so as to achieve a constant periodic rate of interest on the remaining balance of the liability outstanding.

Leased assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged to the income statement on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight- line basis over the lease term.

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Key estimates and critical judgments are discussed below.

Key estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. This involves value-in-use calculations which incorporate a number of key estimates and assumptions.

NOTE 2 – REVENUE AND EXPENSES

Specific Items

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

	31.12.2005	31.12.2004
	$	$
(i) Revenue		
Interest – other parties	61,283	11,504

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 2 – REVENUE AND EXPENSES, CONTINUED	31.12.2005 $	31.12.2004 $
(ii) Expenses		
Management & secretarial fees	(24,884)	(16,351)
Audit fees	(9,020)	(3,546)
Depreciation and amortisation expense	(22,727)	-
Directors fees	(22,500)	(22,500)
Payroll expenses	(63,831)	(19,150)
Share based payments – employee options	(36,120)	-
Project review/ business development costs	(58,769)	-
Rent of premises	(14,780)	-

NOTE 3 – SEGMENT REPORTING

Geographical Segments:

The following table represents the revenue and profit information regarding business segments for the half-year periods ended 31 December 2005 and 31 December 2004.

	31.12.2005 $	31.12.2004 $
	Exploration Australia	
Segment revenue	61,283	11,504
Segment result	(261,728)	(96,619)

NOTE 4 – CONTINGENT ASSETS AND LIABILITIES

A term deposit of $20,000 has been temporarily secured by the Company's bankers to provide a bank guarantee of $20,000 in favour of the Minister for State Development as an unconditional performance bond on EL 57/555.

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

NOTE 5 – DIRECTOR AND EXECUTIVE DISCLOSURES BY DISCLOSING ENTITY

Related party transactions with the Company

A number of specified directors and specified executives, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company in the reporting period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate amounts recognised during the year relating to specified directors, specified executives and their personally-related entities, were as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 5 – DIRECTOR AND EXECUTIVE DISCLOSURES BY DISCLOSING ENTITY, CONTINUED

Name	Director/ executive controlled entity amounts paid to	Amount settled in cash or accrued	Reimbursements of costs paid on behalf of company	Total
Directors				
(a) GJ Bromley	Bromley & Company	$4,070	$18,790	$22,860
(b) NJ Smith	Portcullis Corporate Advisory Pty Ltd	$30,000	$3,825	$33,825
(c) GC George	Gilbert George & Associates Pty Ltd	-	$573	$573
Executive Officer				
(d) A Francesca	EKS/ FJH Solutions	$24,883	-	$24,883
Total 2005		$58,953	$23,188	$82,141

(1) All amounts are GST exclusive
(2) Fees paid or accrued to Officer a) relate to services rendered with regard to the management and maintenance of tenements and bookkeeping services. Fees paid or accrued to Officer b) relate to general counsel provided. Fees paid or accrued to Officer d) relate to services for corporate and accounting services.
(3) Reimbursements relate to costs initially incurred and paid on behalf of the Company by the relevant officer and subsequently reimbursed in full.
(4) The above amounts exclude any payments for salary and directors' fees.

NOTE 6– IMPACTS OF THE ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company changed its accounting policies on 1 July 2005 to comply with Australian equivalents to International Financial Reporting Standards ('A-IFRS'). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition.

The transition from superseded policies to A-IFRS has not affected the Company's income statement, balance sheet, statement of equity and cash flows as at 1 July 2005.

NOTE 7– EVENTS SUBSEQUENT TO REPORTING DATE

On 25 January 2006, the Company entered into a collaborative research project with The Co-operative Research Centre for Landscape Environments and Mineral Exploration ("CRCLEME"), to investigate anomalous uranium encountered in waters within the Wheatbelt of Western Australia. The Company will contribute $100,000 over two years while CRCLEME will contribute a further $30,000 in cash over and above research personnel costs.

CRCLEME is an unincorporated joint venture between Geoscience Australia, CSIRO (represented by the divisions of Exploration & Mining, and Land & Water), Australian National University, Curtin University of Technology, Adelaide University, NSW Department of Primary Industries, Primary Industries and Resources of

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 7– EVENTS SUBSEQUENT TO REPORTING DATE, CONTINUED

South Australia, and Minerals Council of Australia, established under the Federal Governments Cooperative Research Centres Program.

Further, this project has been included within the Mindax/Quasar Joint Venture ("MQJV"). The MQJV will be owned 50/50 by Mindax Limited and Quasar Pty Ltd, an affiliated exploration company of Heathgate Resources, the owner and operator of the Beverley uranium mine project in the north of South Australia.

On behalf of the MQJV, the Company through its wholly owned subsidiary Mindax Energy Pty Ltd (incorporated on 23 January 2006), has made application for eight (8) exploration licences totalling 1432 km2 in the Yilgarn-Avon region of Western Australia.

The three way alliance will explore for uranium-copper-gold mineralisation. Existing wide-spaced data indicates anomalous uranium in water values in the range of 100 to 900 ppb U.

MINDAX LIMITED
ABN 28 106 866 442

DIRECTORS' DECLARATION

The directors of Mindax Limited declare that:

1. The financial statements and notes, as set out on pages 4 -15:
    i. Comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and

    ii. Give a true and fair view of the Company's financial position as at 31 December 2005 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 Company 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.

GREGORY JOHN BROMLEY
Director

Dated at PERTH this 10TH day of MARCH 2006

Horwath Audit (WA) Pty Ltd
ABN 79 112 284 787
Chartered Accountants
A member of Horwath International
128 Hay Street Subiaco WA 6008
PO Box 700 West Perth WA 6872
Email horwath@perth.horwath.com.au
Telephone (08) 9380 8400
Facsimile (08) 9380 8499

Independent review report to members of Mindax Limited

We have conducted an independent review of the accompanying financial report of Mindax Limited for the half-year ended 31 December 2005. The financial report comprises the balance sheet at 31 December 2005, and the income statement, statement of changes in equity, cash flow statement, summary of significant accounting policies and other explanatory notes, and the directors' declaration for the half year then ended.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 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 perform an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and the Corporations Act 2001, so as to present a view which is consistent with our understanding of the entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

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

Independence

We are independent of the company, and have complied with the independence requirements of the *Corporations Act 2001*.

Horwath

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mindax Limited is not in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.

Dated the 10th day of March 2006.

HORWATH
Audit (WA) Pty Ltd

Horwath

A G BEVAN
Director