



ABN 28 106 866 442

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

CORPORATE DIRECTORY

Directors

Gilbert Charles George (Non-Executive, Chairman)
Gregory John Bromley (Managing Director)
Andrew Tsang (Non-Executive Director)
Benjamin Chow (Non-Executive Director)
Kenneth Pettit (Non-Executive Director)

Principal Office

Level 2, 25 Richardson Street
West Perth WA 6005

PO Box 92

West Perth WA 6872

Telephone (08) 9485 2600

Facsimile (08) 9485 2500

Email info@mindax.com.au

Website

www.mindax.com.au

Registered Office

21 Teddington Road
Burswood WA 6100

Telephone (08) 9486 2333

Facsimile (08) 9355 4580

Auditors

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

Company Secretary

Angelo Francesca

Bankers

Commonwealth Bank
Level 2, 150 St Georges Terrace
Perth WA 6000

Westpac Banking Corporation

465 Scarborough Beach Road
Osborne Park WA 6017

Share Registry

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009

Stock Exchange Listing

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

ASX codes: MDX (shares)

MDXO (options)

MDXOA (options)

Contents

Corporate Governance Statement	1
Directors' Report	9
Remuneration Report (Audited).....	18
Auditor's Independence Declaration.....	23
Directors' Declaration.....	24
Independent Audit Report To The Members Of Mindax Limited	25
Consolidated Statement Of Comprehensive Income For The Year Ended 30 June 2011	27
Consolidated Statement Of Financial Position As At 30 June 2011	28
Consolidated Statement Of Changes In Equity For The Year Ended 30 June 2011	29
Consolidated Statement Of Cash Flows For The Year Ended 30 June 2011	30
Notes To The Consolidated Financial Statements.....	31
Additional Information For Listed Public Companies.....	59

CORPORATE GOVERNANCE STATEMENT

Corporate governance is the system by which companies are directed and managed. It influences how the objectives of the Company are set and achieved, how risk is monitored and assessed, and how performance is optimised. Good corporate governance structures encourage companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with risks involved.

Good corporate governance will evolve with the changing circumstances of a company and must be tailored to meet these circumstances.

Mindax Limited (“the Company” or, including its subsidiaries, “the Group”) is a junior exploration company. Its Board and management are committed to a high standard of corporate governance practices, ensuring that the Company and its subsidiaries comply with the Corporations Act 2001, Australian Securities Exchange (ASX) Listing Rules, Company Constitution and other applicable laws and regulations.

At the present point in the Company’s corporate development, the ASX Corporate Governance Principles and Recommendations are likely to be implemented in stages, given the size and simplicity of the business. The principles, recommendations and details of the current and evolving governance practices are identified in the following pages

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The relationship between the Board and senior management is critical to the group’s long-term success. The directors are responsible to the shareholders for the performance of the group in both the short and the longer term; and seek to balance sometimes competing objectives in the best interests of the group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the group is properly managed. To fulfil this role, the Board is ultimately responsible for:

- providing strategic guidance to the Group including contributing to the development of and approving the corporate strategy
- reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives
- overseeing and monitoring:
 - organisational performance and the achievement of the Group’s strategic goals and objectives
 - compliance with the Group’s codes of conduct
 - progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments
- monitoring financial performance including approval of the annual and half-year financial reports and liaison with the company’s auditors
- appointment, performance assessment and, if necessary, removal of the managing director
- ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including the CFO and the company secretary
- ensuring there are effective management processes in place and approving major corporate initiatives
- enhancing and protecting the reputation of the organisation
- overseeing the operation of the Group’s system for compliance and risk management reporting to shareholders
- ensuring appropriate resources are available to senior management.

Day to day management of the Group’s affairs and the implementation of the corporate strategy and policy initiatives are the responsibility of the Managing Director. The Managing Director’s performance is reviewed annually by the

other non-executive Board members. Further, the Chairman is responsible for administering an evaluation of Board performance on an annual basis.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The Board operates in accordance with the broad principles set out in its Board Charter (which was formally adopted on 16 August 2010). The charter details, amongst other things, the Board's composition, roles, responsibilities and Board evaluation processes.

The Company has a five member Board comprising one executive director and four non-executive directors, including the Chairman. The roles of Chairman and Managing Director are not combined. All directors reside in Australia.

The Group's Managing Director, Mr Bromley is not considered independent by virtue of his executive role in the Group, neither are Messrs George or Chow by virtue of financial remuneration received as consultants during the previous three financial years or post financial year end. Mr Tsang is a substantial shareholder of the Company and is therefore not considered independent. Mr Pettit is considered independent by virtue of his small shareholding in the Company and freedom from any business or other relationship which could, or could reasonably be perceived to, materially interfere his independent exercise of his judgement. The Board has considered its materiality threshold and deemed it too small to have a majority of independent directors on the Board.

The full Board currently hold a number of scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address significant matters as they arise.

Standing Board meeting agenda items include the Managing Director's report, financial reports, strategic matters, governance and compliance.

Board members possess complementary business disciplines and experience aligned with the Company objectives. The experience and qualifications of directors are noted in the Directors' Report.

Where any director has a personal interest in a matter, the director is not permitted to be present during discussions or to vote on the matter. The enforcement of this requirement ensures that the interest of shareholders, as a whole, are pursued and not jeopardised by a lack of a majority of independent directors.

Having regard to the structure of the Board and of senior management, it is considered appropriate by the Board to effectively utilise Mr George, Mr Tsang, Mr Chow and Mr Pettit's skills as consultants to provide crucial peer review of the corporate, legal and commercial aspects of the Group's operations.

Mr George acts as Chairman of the Company and while not satisfying the 'independence test' set out in the ASX's Corporate Governance Principles and Recommendations, it is considered Mr George's appointment is in the best interests of the Company and is without conflict given its size.

The Board formed an Audit committee (commenced December 2004) currently comprising Mr Pettit, Mr Chow and Mr George; and a Remuneration committee (commenced December 2004) currently comprising Mr Pettit, Mr Tsang, Mr Chow and Mr George. Mr Pettit is Chairman of both committees.

The Company has also constituted a Nominations Committee comprised of the non-executive directors of the Company, formalising a charter on 23 September 2010. Mr Chow is Chairman of the Nominations Committee. The Nominations

Committee and the Board give consideration to the appointment of specialist and independent directors when the activities and scale of operations of the Group warrant such appointments.

Details of the directors' qualifications and attendance at such committee meetings are set out in the Directors' Report.

New directors are provided with a letter of appointment setting out the Company's expectations, their responsibilities, rights and the terms and conditions of their employment. All new directors participate in a comprehensive, formal induction program which covers the operation of the Board and its committees and financial, strategic, operations and risk management issues.

The Constitution of the Company notes that non-executive directors cannot hold office for a period longer than three years without submitting themselves for re-election at the next relevant AGM. One third of the non-executive directors must retire by rotation at each AGM together with any new directors appointed by the Board during the period since the last general meeting. Retiring directors are eligible to stand for re-election.

Each year the Board will conduct an evaluation of its performance. The Chairman is responsible for administering such evaluation.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of conduct

The Company has developed a statement of values and a Code of Conduct ("the Code") which has been endorsed by the Board and applies to all directors and employees. The Code was formally adopted on 16 August 2010. The Code will be reviewed at least once every two years and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders.

In summary, the Code requires that at all times all company personnel act with integrity, objectivity and in compliance with the letter and spirit of any applicable law, rule or regulation; together with the protocols, policies and procedures of the Group.

The Code requires employees who are aware of unethical practices within the Group or breaches of the Group's policies to promptly report these using the Group's whistle-blower program. This can be done anonymously.

The Audit Committee reports directly to the Board on the compliance with the Code and has responsibility for the initial investigations for significant issues raised under the whistle-blower program.

Dealing in Company Securities, Misuse of Price Sensitive Information and Insider Trading

Mindax Limited has in place a formal policy on "Dealing in Company Securities, Misuse of Price Sensitive Information and Insider Trading" which applies to all directors and employees.

Any proposed trading in the Company's securities by directors (other than the Managing Director), staff and other company officers is to be firstly advised to the Managing Director. The Managing Director must himself/herself advise the Chairman of any trade proposed by him/her. Once the Managing Director or Chairman (as applicable) has given approval, the relevant trade may be executed. Such policy clearly mitigates the risk of breaching the insider trading provisions and gives the Managing Director control to restrict trading if the Managing Director may be privy to sensitive information before the other Company officers and personnel are, or the Managing Director has knowledge that certain sensitive information (eg: exploration results) are due for receipt within a short term timeframe.

The Board may also impose trading bans at any time if it considers that as a consequence of any circumstances that have not been disclosed to the market, there is a risk that they or the Group's employees or other company officers may trade inappropriately.

Group directors, staff and other company officers are prohibited from trading during the following 'closed periods':

- a) during the two week period immediately before the release of Mindax's quarterly reports;
- b) two weeks immediately before the Company's Annual General Meeting when it is customary for the Chairman and Managing Director to provide further information about the Group's current business activities; and
- c) not until after a reasonable amount of time has passed in respect of a market announcement that released what was price sensitive information, which was not previously available to the market, is released (generally two trading days, unless another period is considered appropriate by the Board).

Directors, officers and employees with any non-public sensitive information are prohibited from purchasing or disposing of Company securities, in accordance with the Corporations Act 2001.

Directors must advise the Company of any transactions conducted by them in the securities of the Company, in accordance with the Corporations Act 2001 and ASX Listing Rules.

The Directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

Workplace Diversity

The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly the Group has developed and adopted a Diversity Policy. This policy outlines the Group's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity and for the Board to assess annually both the objectives, and the Group's progress in achieving them.

The Diversity Policy provides a framework for the Group to achieve:

- a) diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals
- b) workplace culture characterised by inclusive practices and behaviours for the benefit of all staff
- c) improved employment and career development opportunities for women
- d) work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity and
- e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

In accordance with this policy and ASX Corporate Governance Principles, the Board will establish objectives in relation to gender diversity. The aim is to achieve such objectives over the coming 1 to 3 years as director and senior executive positions become vacant and appropriately skilled candidates are available.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Audit Committee is responsible for reviewing and reporting to the Board on the Group's financial reports and external audit processes.

The Managing Director and Chief Financial Officer provide a certification to the Board on the integrity of the Company's external financial reports. This reporting structure was adopted for the financial year ended 30 June 2011.

The Managing Director and Chief Financial Officer provide additional certification that the financial statements are founded on sound risk management systems and that compliance and control systems are operating efficiently and effectively in respect to financial reporting risks.

The Board considers that risk management and internal compliance and control systems are sufficiently robust for the Board to place reliance on the integrity of the financial statements.

Audit processes and policies

The Audit Committee consists of the following non-executive directors:

Mr K Pettit (Chair)
Mr G George
Mr B Chow

Details of the directors' attendance at Audit Committee meetings are set out in the Directors' Report. The Board is also ultimately responsible for the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group.

The responsibilities include:

- Reviewing and approving statutory financial reports and all other financial information distributed externally
- Monitoring the effective operation of the risk management and compliance framework
- Reviewing the effectiveness of the Group's internal control environment including compliance with applicable laws and regulations
- The nomination of the external auditors and the review of the adequacy of the existing external audit arrangements;
- Considering whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence and
- Review and monitor related party transactions and assess their propriety.

The minutes of all committee meetings are circulated to all directors.

The external auditor, BDO Audit (WA) Pty Ltd ("BDO Audit") has engagement terms refreshed annually and has indicated its independence to the Board. BDO Audit were appointed as auditors in December 2003.

PRINCIPLE 5 & 6: MAKE TIMELY AND BALANCED DISCLOSURES AND RESPECT THE RIGHTS OF SHAREHOLDERS

The Board adopts communications strategies and practices to promote communication with shareholders, in language capable of interpretation, and to encourage effective participation at General Meetings. The external auditor will attend the meeting to respond to specific questions from shareholders relating to the conduct of the audit and the preparation and content of the auditor's report.

As set out in the Company's Continuous Disclosure Policy, the Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules. The Managing Director and Chairman are responsible for communication with analysts, brokers, shareholders, the media and the public.

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- electronic communication via the ASX website and the Company's website; and
- notices of all meetings to shareholders.

The Board encourages full participation of shareholders at the General Meetings to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to shareholders as single resolutions.

Shareholders are requested to vote on the appointment of directors, the granting of options and shares to directors and changes to the Constitution. Copies of the Constitution are available to any shareholder upon request.

Timely and balanced disclosure

The Board supports the Australasian Investor Relations Association "Best Practice Guidelines for Communication between Listed Entities and the Investment Community". The Board endorses a culture in favour of continuous disclosure and recognises the benefits of consistency to be achieved through a dedicated authorised spokesperson(s).

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Company's web site. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market. Notably, continuous disclosure is discussed at all regular Board meetings and on an ongoing basis to support compliance.

The Group's website also enables users to provide feedback and has an option for shareholders to register their email address for direct email updates on company matters.

The Group seeks to provide opportunities for shareholders to participate through electronic means. Initiatives to facilitate this include making all Company announcements, media briefings, details of Company meetings, press releases for the last three years and financial reports for the last five years available on the Company's website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Group has identified material business risks associated with its day-to-day operations and the possible impacts on the Group as a consequence. This is recorded in the Group's internal register and is continuously being developed and updated. The Group aims to review its' risk management policies on a quarterly basis to mitigate material risks identified from eventuating and to ensure a sound internal control system is in place. The Managing Director and Company Secretary are required to report to the Board if any material business risks that significantly impact on the business have arisen since the last Board meeting and if an effective internal control policy is in place and has been followed (as applicable). The Board declares that it has received assurance from the Managing Director and Company Secretary that a sound and effective risk management and internal control system had been adhered to and operated during the financial year ended 30 June 2011.

In summary, the Group's internal risk management policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Group's business objectives.

The Managing Director and Chief Financial Officer have provided additional certification that the financial statements are founded on sound risk management systems and that compliance and control systems are operating efficiently and effectively in respect to financial reporting risks.

Considerable importance is placed on maintaining a strong control environment. The organisation has been structured in a way to clearly draw lines of accountability and delegation of authority. The Board actively promotes a culture of quality and integrity.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Remuneration Committee consists of the following non-executive directors:

Mr K Pettit (Chair)

Mr G George

Mr B Chow

Mr Tsang.

Details of these directors' attendance at Remuneration Committee meetings are set out in the Directors' Report. The Remuneration Committee advises the Board on remuneration and incentive policies and practices generally and makes specific recommendations in relation to compensation arrangements for executive and non-executive directors and in respect of all equity based remuneration plans. Ultimate responsibility for the Company's remuneration policy rests with the full Board.

The remuneration policy states that executive directors may participate in share option schemes with the prior approval of shareholders. Other executives may also participate in employee share option schemes, with any option issues normally being made in accordance with thresholds set in plans approved by shareholders. The Board however, considers it appropriate to retain the flexibility to issue options to executives outside of approved employee option plans in appropriate circumstances.

Information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Directors' Report under the 'Remuneration Report'. In accordance with Group policy, participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

Each member of the senior executive team signs a formal employment agreement at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard agreement refers to a specific formal job description.

The Nominations Committee presently assumes responsibility for overseeing management succession planning, including the implementation of appropriate executive development programmes and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for senior positions.

[Access to professional advice](#)

Issues of substance are considered by the Remuneration Committee and Board with external advice from its professional advisers as required. The Board's individual members can seek independent professional advice at the Company's expense in carrying out their duties, subject to the Chairman approving the terms of such external advice.

SUMMARY

Mindax Limited has adopted the following policies and charters:

- Board Charter;
- Code of Conduct;
- Securities Trading Policy;
- Diversity Policy;
- Audit Committee Charter;
- Continuous Disclosure Policy;
- Shareholder Communication Policy;
- Remuneration Committee Charter; and a
- Nominations Committee Charter.

The Company is non-compliant with respect to the majority of directors being considered independent for reasons stated. Other corporate practices are compliant and subject to regular review.

The remainder of this page has intentionally been left blank

DIRECTORS' REPORT

Your directors present their report for the financial year ended 30 June 2011.

The names of the directors in office at any time during, or since the end of, the year are:

NAME	POSITION	APPOINTED/RESIGNED
Mr G. C. George	Non-Executive Chairman	
Mr G. J. Bromley	Managing Director	
Mr A. Tsang	Non-Executive Director	
Mr B. Chow	Non-Executive Director	
Mr K Pettit	Non-Executive Director	(appointed 16 May 2011)
Mr N. J. Smith	Non-Executive Director	(resigned 30 Oct 2010)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Mr A Francesca is a Certified Practising Accountant, aged 40, with seventeen years' experience in public practice. He is a director and equity holder of a medium sized accounting practice, FJH Solutions Pty Ltd. He has provided client support across a wide range of industries including mining and exploration to private and public companies.

PRINCIPAL ACTIVITIES

During the year, the Group's principal activity was mineral exploration.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

The consolidated loss of the Group for the financial year after providing for income tax amounted to \$2,412,051 (2010: \$2,339,546). 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 12 months to 30 June 2011.

REVIEW OF OPERATIONS

Corporate

Capital Raisings totalling \$6.8M

On the 19th of April 2011, the Company completed a placement of 5,818,811 ordinary fully paid shares (ranking equally in all respects with existing shares) at 35 cents per share to raise gross proceeds of approximately \$2.036M. The placement was made to a number of sophisticated and professional investors, and the securities were issued under the Company's 15% placement capacity.

On the 16th of August 2011, the Company also completed a partially underwritten pro-rata renounceable entitlements issue ("Rights Issue") to raise gross proceeds of \$4.750M. The basis of the Rights Issue was one new share (ranking equally in all respects with existing shares) for every five shares held at an issue price of 25 cents per share, together with one free attaching new 'piggyback' option for every new share issued.

The total amount raised by the placement and entitlements issue was approximately \$6.786 million (before associated issue costs) and is currently being applied to fund planned exploration and development of the Company's Mt Forrest Iron Project, to fund exploration at the Company's other prospects and to provide general working capital for the Company.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

On 13 July 2011 and 18 July 2011 the Company issued 2 ordinary shares and 7 ordinary shares respectively from the conversion of options with a 75 cent exercise price and an expiry date of 1 December 2011.

Appointment of an additional Non-Executive Director

On the 16th of May 2011, the Company announced the appointment of Mr Kenneth Pettit to the Board as a non-executive director. It is the view of the Board of Directors that as the Company progresses towards the development of the resource at the Mt Forrest Project an expansion to the Board membership is in the interests of shareholders.

Mr Pettit is a distinguished lawyer and senior barrister practising in Perth.

Exploration

The consolidated entity continued its exploration efforts on its tenement prospects during the financial year ended 30 June 2011. Some highlights include:

Iron Ore (Comprising the Mt Forrest Project)

Updated resource modelling was carried out by independent geological consultants Snowden Mining Consultants Pty Ltd (Snowden) for the regolith iron mineralisation and the underlying magnetite mineralisation.

The revised mineral resource of regolith iron mineralisation, no cut-off, was estimated to be 19.0 million tonnes at 42.3% Fe (JORC Indicated and Inferred Mineral Resource classification).

Resource Category	Million Tonnes	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	S %	LOI %
Indicated	6.3	44.7	0.06	23.0	5.4	0.08	7.0
Inferred	12.7	41.1	0.04	30.3	3.6	0.05	4.5
Total	19.0	42.3	0.05	27.9	4.2	0.06	5.4

Preliminary metallurgical test work undertaken with Promet Metallurgical consultants has identified additional value in unlocking lower grade regolith material by beneficiation of material above a 40% Fe cut-off to a DSO equivalent product. Further test work will be carried out in the prefeasibility study commencing later this year.

To guide further resource definition, an overall Exploration Target of 35 to 50* million tonnes of Regolith Iron material at a grade of 42% to 58% Fe has been established from the enhanced geological understanding developed from mineralisation at Mt Forrest.

The Exploration Target has taken into consideration:

- Existing iron resources and input from previous resource modelling
- Target limitation to 50m below surface
- Updated surface mapping and sampling
- Density information.

Note *: The nature of the exploration target means that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

The magnetite mineral resource was also upgraded to be 1,425 million tonnes of a head Fe grade 31.5% (JORC Indicated and Inferred Mineral Resource classification). The Mineral Resource extends over an aggregate strike length of 9,000 m to a maximum depth of 450 m below surface.

	Resource Category	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
CSA October 2010	Inferred	671.7	30.5	48.6	2.13	0.050	0.070	2.94
Snowden April 2011	Indicated	82.9	32.4	47.2	1.60	0.060	0.127	0.88
Snowden April 2011	Inferred	670.5	32.5	47.0	1.40	0.066	0.202	0.23
Total Indicated and Inferred		1,425.1	31.5	47.7	1.76	0.058	0.135	1.55

Ongoing DTR work at 40 µ on the magnetite material has returned encouraging results producing iron concentrates exceeding 70% with selected areas producing high concentrates at a coarse 150µ grind. Additional DTR work will be completed this year and all the data will be included in an updated mineral resource estimation.

Diamond drilling on the DSO and magnetite material has been completed and the core will undergo metallurgical test work later this year.

Ministerial consent has been granted to the remaining area of the project which will allow exploration on the remaining untested DSO targets at Bulga, Currawong and Emu. The Company has also commenced level 2 Flora and Fauna surveying and a scoping study report on the magnetite material will be completed in September.

Desktop evaluation has identified gold mineralisation located within the footprint of the potential DSO open pit and this additional mineralisation can contribute to the early cashflow of any potential DSO operations at Mt Forrest.

Uranium (Comprising the Yilgarn Avon Joint Venture – Palaeochannel Project)

Drilling results from the 2011 Q1 program at Jindarra and Yandegin in the Mukinbudin Project area confirmed and extended the mineralised footprints. At Jindarra the mineralised zone was extended 5.5 km to the north including intersections of up to 0.09% U₃O₈ (760 ppm U). Drilling in this northern area was sparse on 1000 metre sections. More detailed drilling is expected to re-rate the area.

The Yandegin mineralisation extends over 4 km and includes new values of up to 0.25% U₃O₈ (2086 ppm U) and an 18 metre interval of 0.06% U₃O₈ (482 ppm U).

Encouragingly there were a large number of results having thickness of 5m or greater and grades approaching and exceeding 0.05% U₃O₈ (425ppm uranium) located at a depth which suggests a consistent mineralised horizon.

Initial drilling results also suggest that the mineralisation is suited to the low cost, low impact In-situ Recovery style of mining pioneered in Australia by Mindax's joint venture partner Quasar Resources.

A number of high grade samples from Yandegin and Jindarra have been submitted to CSIRO to undertake studies on the uranium mineralogy. This work will involve looking at the samples using an SEM (Scanning Electron Microscope) and conducting XRD analysis of some samples.

A Conceptual Exploration Target is currently being devised for the Mukinbudin Project area and work to establish a maiden uranium resource for the Wheatbelt at the Yandegin Prospect is underway.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

Copper, Gold (Comprising the Yilgarn Avon Joint venture – Mortlock Project)

Ground EM was conducted over numerous anomalies and has generated several priority targets, with land access negotiations in progress to enable drilling.

Gold (Comprising the Meekatharra Project)

The delineation of a high grade gold resource by Doray Minerals Limited adjacent and along strike to Mindax's Meekatharra Project has increased the prospectivity of the tenement. This new resource is only 2,000m north of the tenement boundary and it is expected the same gold controlling structure will continue into the Mindax ground.

COMPETENT PERSONS STATEMENT

The mineral resource estimates are reported under the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 Edition) ("the Code").

The estimates were carried out by parties who have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined by the Code. Throughout the financial year the following Competent Persons provided estimates for the Group:

- Mr Chris Allen, BSc (Hons), MBA, MAIG of CSA Global Ltd who is a Member of the Australian Institute of Geoscientists (MAIG). Mr Allen who now works for Atlas Iron Limited consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- Mr John Graindorge MAusIMM of Snowden Mining Industry Consultants Pty Ltd who is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM). Mr Graindorge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- Michael Andrew who is a member of the MAusIMM. Mr Andrew who now works as a full-time employee for Optiro consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Gregory John Bromley who is a member of the MAusIMM, with more than 5 years experience in the field of activity being reported on. Mr Bromley 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 Code. Mr Bromley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

FINANCIAL POSITION

The net assets of the Group have decreased by \$555,712 from 30 June 2010 to \$19,006,651 at 30 June 2011. This decrease is largely due to the following factors:

- Writing off \$1.2 million of exploration expenditure;
- General expenses of \$1.6 million relating to the running and administration of the Group; and
- A \$2 million capital raising.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the Group's state of affairs occurred during the financial year other than as noted above under principal activities.

EVENTS SUBSEQUENT TO REPORTING DATE

On the 16th of August 2011, the Company completed a partially underwritten pro rata renounceable entitlements issue ("Rights Issue") to raise gross proceeds of \$4.750M. The basis of the Rights Issue was one new share (ranking equally in all respects with existing shares) for every five shares held at an issue price of 25 cents per share, together with one free attaching new 'piggyback' option for every new share issued. In addition, on 13 July 2011 and 18 July 2011 the Company issued 2 ordinary shares and 7 ordinary shares respectively from the conversion of options with a 75 cent exercise price and an expiry date of 1 December 2011. The funds are currently being applied to fund planned exploration and development of the Company's Mt Forrest Iron Project; to fund exploration at the Company's other prospects and to provide general working capital for the Company.

Except for the above, no other matters or circumstances have arisen since the end of the financial 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.

FUTURE DEVELOPMENTS

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL ISSUES

The Group's operations are subject to significant environmental regulations under both Commonwealth and State legislation. The Board believes that the Group has adequate systems in place for the management of its environmental regulations and is not aware of a breach of those environmental requirements as they apply to the Group.

INFORMATION ON DIRECTORS

Mr G. C. George	Non-Executive Chairman
Experience	<p>Gilbert, aged 61 years, has an honours degree in Agricultural Science, as well as a Masters Degree in Economics from a prestigious Japanese university. After working in Australia and Japan in Government positions, Gilbert established his own business development consultancy in 1988.</p> <p>He is the principal of Gilbert George & Associates Pty Ltd which has provided strategic advice to companies in Australia, Africa, Japan, the US and Europe and been involved in over \$950 million of new investment in Australia, in the resource, IT, food processing and service sectors. Resource experience includes gold, manganese, oil and heavy mineral sands.</p> <p>He holds directorships in the following unlisted companies: Bedley Holdings Pty Ltd, Ocean Power Technologies (Australasia) Pty Ltd and Governor Holdings Pty Ltd. Gilbert has also been a member of a number of charities and state government and international advisory committees, including Anglicare and the Asian Round Table.</p>
Interest in Shares and Options as at 19 September 2011	4,191,413 ordinary shares in Mindax Limited. 250,000 unlisted options in Mindax Limited.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

Mr G. C. George	Non-Executive Chairman
	2,743,100 listed options in Mindax Limited.
Special Responsibilities	Gilbert joined the Board in 2004 in a non-executive capacity and is a member of the Remuneration, Audit and Nomination Committees; and is the Chairman of the Board of Directors.
Directorships held in other listed entities during the three years prior to the current year	None.

Mr G. J. Bromley	Managing Director
-------------------------	--------------------------

Experience	Greg, aged 61 years, a geologist, has nearly forty years of experience in the mining and exploration industry as an exploration geologist, a consultant and company executive. His business experience is both local and international.
------------	---

His early career was with the CRA Group (now RTZ) where he undertook exploration project assignments in WA and NSW and participated in the teams that identified gold in the Labouchere area, diamonds in the West Kimberley and nickel at Honeymoon Well.

In 1987 he joined the Normandy Mining group and through the next decade filled a number of senior roles including Exploration Manager WA, Exploration Technical Manager for the Normandy group throughout Australia and Group Consultant for Europe, Africa and the Americas.

Before joining the Company Greg has been the principal of Bromley & Co, Consulting Geologists operating locally and in Africa, Asia and Latin America. This has included management of the Agbaou gold project in Cote d'Ivoire, assignments at the Chirano gold project in Ghana and the Kroondal platinum project in South Africa. Prior to joining the Company, he contributed to the Barra Resources IPO and has consulted to Sipa Resources on their local exploration and business development programs.

Interest in Shares and options as at 19 September 2011	5,795,001 ordinary shares in Mindax Limited. 500,000 unlisted options in Mindax Limited. 2,997,500 listed options in Mindax Limited.
--	--

Special Responsibilities	Greg joined the Board of Mindax in 2003 as Managing Director.
--------------------------	---

Directorships held in other listed entities during the three years prior to the current year	None.
--	-------

Mr A. Tsang	Non-Executive Director
--------------------	-------------------------------

Experience	Andrew, aged 55 years, is a naturalised Australian citizen who was born and educated in China and who has successfully established and run construction, engineering and property development businesses both in China and Australia as well as establishing successful import agencies for Australian manufactured goods into China.
------------	---

Interest in Shares and options as at 19 September 2011	43,070,425 ordinary shares in Mindax Limited. 250,000 unlisted options in Mindax Limited. 26,915,368 listed options in Mindax Limited.
--	--

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

Mr A. Tsang	Non-Executive Director
Special Responsibilities	Andrew joined the Board in 2008 in a non-executive capacity and is a member of the Remuneration and Nomination Committees.
Directorships held in other listed entities during the three years prior to the current year	Andrew is also a director of the listed company Diatrema Resources Limited (since 23 January 2009)
Mr B. Chow	Non-Executive Director
Experience	<p>Benjamin, aged 65 years, is a distinguished Australian citizen who was born and educated in China, immigrating to Australia in 1962. He has a business background in engineering, property development and leadership in the Chinese and Australian financial sectors.</p> <p>He chaired the Council for Multicultural Australia which assists the Australian Government implement its multicultural policies. He has previously served as President of Australian Chinese Community Association of NSW, President of Chinese Australian Forum of NSW and Vice-President of the Ethnic Communities Council of NSW. He is a past member of the Council of National Museum of Australia, a member of the Bond University Council, President of Sydney University Nerve Research Foundation, a Trustee and immediate past Chairman of Australian Chinese Charity Foundation and a Director of Chain Reaction Foundation Ltd.</p>
Interest in Shares and options as at 19 September 2011	196,000 ordinary shares in Mindax Limited. 250,000 unlisted options in Mindax Limited. 126,000 listed options in Mindax Limited.
Special Responsibilities	Benjamin joined the Board in 2009 in a non-executive capacity and is a member of the Audit, Remuneration and Nomination Committees.
Directorships held in other listed entities during the three years prior to the current year	Benjamin is also a Non-Executive Director of the listed company Invocare Limited (since 22 February 2007).
Mr K Pettit	Non-Executive Director
Experience	<p>Mr Ken Pettit is a senior barrister practising from Francis Burt Chambers in Perth Western Australia. Mr Pettit joined the independent bar in 1995 and was appointed as Senior Counsel in 2003.</p> <p>Mr Pettit has 25 years experience specializing more recently in the fields of mining, property, planning, native title, commercial and industrial relations law.</p> <p>Before entering the legal profession, Mr Pettit graduated and worked as a Pharmacist.</p> <p>Mr Pettit is also a Board member of the Diabetes Research Foundation, the Keogh Institute for Medical Research and was recently appointed the chairman of the Port Hedland Port Authority.</p>
Interest in Shares and options as at 19 September 2011	612,247 ordinary shares in Mindax Limited. 217,041 listed options in Mindax Limited.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

Mr K Pettit	Non-Executive Director
Special Responsibilities	Ken joined the Board in a non-executive capacity and is the Chairman of the Remuneration and Audit Committees and a member of the Nomination Committee.
Directorships held in other listed entities during the three years prior to the current year	None

Mr N. J. Smith	Former Non-Executive Director
Experience	Nicholas, aged 59, is a solicitor by training, who has spent most of his working life in the corporate/commercial arena. He has extensive business experience both within Australia and off shore. Between 1987 and 1999 he was Group General Counsel for the Normandy Mining Group where he was responsible for the Group's legal function including the legal aspects of the Group's M&A and project acquisition program both on and off shore. Since 1999 he has been the principal of Portcullis Corporate Advisory Pty Ltd a provider of corporate and strategic advice.
Special Responsibilities	Nicholas joined the board in 2003 and resigned on 30 October 2010.
Directorships held in other listed entities during the three years prior to the current year	None

MEETINGS OF DIRECTORS

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	BOARD MEETINGS		AUDIT COMMITTEE		REMUNERATION COMMITTEE		NOMINATION COMMITTEE	
	NUMBER		NUMBER		NUMBER		NUMBER	
	ELIGIBLE TO ATTEND	NUMBER ATTENDED	ELIGIBLE TO ATTEND	NUMBER ATTENDED	ELIGIBLE TO ATTEND	NUMBER ATTENDED	ELIGIBLE TO ATTEND	NUMBER ATTENDED
Mr G. C. George	7	7	2	2	1	1	1	1
Mr G. J. Bromley	7	7	-	-	-	-	-	-
Mr A. Tsang	7	6	-	-	1	1	1	1
Mr B. Chow	7	7	-	-	-	-	1	1
Mr K Pettit	1	1	-	-	-	-	-	-
Mr N. J. Smith	3	3	1	1	1	1	1	1

There were also four (4) circular resolutions passed by the Board of Directors during the financial year.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr B Chow retires by rotation in accordance with clause 13.2 of the Company's Constitution, who being eligible offers himself for re-election.

Mr A Tsang retires pursuant to clause 13.4 of the Company's Constitution, who being eligible offers himself for re-election.

Mr K Pettit, who was appointed to the Board on 16 May 2011, offers himself for re-election pursuant to clause 13.4 of the Company's Constitution.

INDEMNIFYING OFFICERS OR AUDITORS

The Group has paid premiums to insure directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the Group, other than conduct involving a wilful breach of duty in relation to the Group.

OPTIONS

At the date of this report, the unissued ordinary shares of Mindax Limited under option, including those options issued during the year and since 30 June 2011 to the date of this report, are as follows:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE \$	NUMBER UNDER OPTION
4 August 2008	1 August 2012	0.53	250,000
12 October 2009	12 October 2012	0.48	300,000
15 December 2009	31 March 2012	0.60	1,800,000
15 February 2010	1 December 2011	0.75	64,938,800
25 May 2010	1 December 2011	0.75	3,000,000
15 August 2011	30 April 2012	0.30	19,000,000
Total			89,288,800

During the year ended 30 June 2011, no ordinary shares of Mindax Limited were issued on the exercise of options granted. Post 30 June 2011, 9 ordinary shares of Mindax Limited were issued on the exercise of 9 listed options (grant date 15 February 2010).

During the year ended 30 June 2011, 100,000 options over ordinary shares in Mindax Limited with a \$0.25 exercise price expired.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

No non-audit services were provided by the auditors during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 23 of the financial report.

REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

The objective of the Group's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered.

The Group's remuneration policy for Executive Directors, officers and senior management is designed to promote superior performance and long term commitment. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's operations. The main principles of the policy are:

- Reward reflects the competitive market in which the Group operates;
- Individual reward should be linked to performance criteria (at this stage no formal performance criteria have been set by the remuneration committee); and
- Executives should be rewarded for both financial and non-financial performance.

Overall remuneration policies are determined by the Board and are adapted to reflect competitive market and business conditions where it is in the interests of the Group and shareholders to do so. Within this framework, the Remuneration Committee considers remuneration policies and practices generally, and recommends specific remuneration packages and other terms of employment for executive directors and senior management. The Corporate Governance Statement provides further information on the role of this committee. Ultimate responsibility for the Group's remuneration policies rests with the full Board.

Non-Executive directors

Fees and payments to Non-Executive Directors reflect the demands which are made on and the responsibilities of them individually. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of Non-Executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

The current base remuneration was last reviewed in September 2008. The Chairman currently receives a fixed fee for his services as a Director.

The Group's Non-Executive Directors' remuneration package contains only one component, being a primary benefit of quarterly director's fees.

Non-Executive Director fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$400,000 pa and was approved by shareholders at the 2010 Annual General Meeting.

No retirement benefits are provided, other than compulsory superannuation.

Executive directors

The Group's Executive Director's remuneration package contains the following components:

- Base pay and benefits, including superannuation;
- Short-Term performance incentives; and
- Equity – share options granted under the employee and consultant share option scheme.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

The combination of these comprises the executive's total remuneration.

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. External remuneration information provides benchmark information to ensure the base pay is set to reflect the market for a comparable role. Base fees are reviewed annually to ensure the level is competitive with the market. There is no guaranteed base fee increases included in any Executive Director contracts. A vehicle and car bay is also provided as an additional benefit to Executive Directors.

PERFORMANCE-BASED REMUNERATION

Performance based remuneration for key management personnel is limited to the granting of shares and options.

RELATIONSHIP BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives, including the issue of options to the majority of directors and executives which is to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth. The following table shows the loss per share, profit/(loss) and share price of the Group at the end of the respective financial years.

	2007	2008	2009	2010	2011
	\$	\$	\$	\$	\$
Loss per share	0.0212	0.0076	0.0175	0.0178	0.0164
Net Profit/(Loss)	(1,218,116)	(554,987)	(2,256,691)	(2,339,546)	(2,412,051)
Share Price at Year-end	0.125	0.340	0.490	0.410	0.275

PERFORMANCE CONDITIONS LINKED TO REMUNERATION

At this stage, the Group's remuneration of key management personnel does not include any performance conditions. The Board believes that at this stage of the Group's development, linking remuneration to financial performance indicators such as share price, revenue or profit is inappropriate. This may change once the Group commences production.

EMPLOYMENT DETAILS OF KEY MANAGEMENT PERSONNEL AND OTHER EXECUTIVES

The following table provides details of persons who were, during the financial year, members of key management personnel of the Group, and to the extent different, among the five Group executives or company executives receiving the highest remuneration. The table also illustrates the proportion of remuneration that was performance and non-performance based.

KEY MANAGEMENT PERSONNEL	POSITION HELD AS AT 30 JUNE 2011	FIXED SALARY / FEES 2011 (%)	TOTAL 2011 (%)	FIXED SALARY / FEES 2010 (%)	TOTAL 2010 (%)
Mr G. C. George	Non-Executive Chairman	100	100	100	100
Mr G. J. Bromley	Managing Director	100	100	100	100
Mr A. Tsang	Non-Executive Director	100	100	100	100
Mr B. Chow	Non-Executive Director	100	100	100	100
Mr K Pettit	Non-Executive Director	100	100	-	-
Mr N. J. Smith	Non-Executive Director	100	100	100	100
Mr A. Francesca	Company Secretary	100	100	100	100

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

KEY MANAGEMENT PERSONNEL	POSITION HELD AS AT 30 JUNE 2011	FIXED SALARY / FEES 2011 (%)	TOTAL 2011 (%)	FIXED SALARY / FEES 2010 (%)	TOTAL 2010 (%)
Mr C Pognault	Chief Financial Officer	100	100	-	-
Mr J. Vinar	General Manager Mt Forrest	100	100	100	100
Mr S Lane	Exploration Manager	100	100	100	100

SERVICE AGREEMENTS

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the Managing Director and other key management personnel are also formalised in service agreements.

By way of updated Service Agreement dated 23 Decemebr 2010, the Company renewed Gregory Bromley's appointment as its Managing Director. Mr Bromley continues to be paid \$295,000 in annual salary inclusive of superannuation and will be reimbursed for all reasonable expenses incurred in carrying out the services of a managing director (as further specified in the agreement). Mr Bromley is also provided a serviced and maintained vehicle with agreement that private use be an infrequent and incidental component of total usage. The service contract will expire on 30 September 2011 unless extended by the Board. Future bonuses are to be considered subject to meeting performance hurdles (at this stage no formal performance criteria have been set by the remuneration committee).

The agreement may be terminated by the Company, without notice where Mr Bromley is guilty of any gross default or serious misconduct, becomes bankrupt or of unsound mind, is convicted of any criminal offence, becomes permanently incapacitated or dies.

Mr Bromley may also terminate the agreement with 6 months notice or without notice in certain circumstances including the Company entering into liquidation, the Company breaching the Agreement or where Mr Bromley is demoted. If the agreement is terminated by Mr Bromley without notice or by the company with notice, the Company must pay Mr Bromley an agreed termination payment.

By Consultancy Agreement effective 1 March 2006, the Company agreed to engage FJH Solutions ("the consultant") of which Mr Angelo Francesca is a director, to support the Company secretarial function. The engagement was for an initial term of twelve months and was extended by written notice 4 weeks from the date of the relevant term to July 2011. Time currently incurred in respect of work performed by the consultant is being charged at the consultant's specified charge out rates.

REMUNERATION DETAILS

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group and, to the extent different, the five Group executives and five company executives receiving the highest remuneration:

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

KEY MANAGEMENT PERSONNEL	YEAR	SALARY, FEES AND LEAVE - PAID AND PAYABLE		PENSION AND SUPERANNUATION - PAID AND PAYABLE		SHARES/ UNITS	OPTIONS/ RIGHTS	TOTAL
		\$	\$	\$	\$			
Mr G. C. George	2011	55,000	-	4,950	-	-	-	59,950
	2010	55,000	-	4,950	-	-	74,250	134,200
Mr G. J. Bromley	2011	270,642	-	24,357	-	-	-	294,999
	2010	261,467	-	23,532	-	-	148,500	433,499
Mr A. Tsang	2011	50,000	-	4,500	-	-	-	54,500
	2010	50,000	-	4,500	-	-	74,250	128,750
Mr B. Chow	2011	50,000	-	4,500	-	-	-	54,500
	2010	38,821	-	3,314	-	-	74,250	116,385
Mr K Pettit	2011	6,319	-	569	-	-	-	6,888
	2010	Not Applicable						
Mr J Vinar	2011	149,350	-	16,321	-	-	-	165,671
	2010	Not Applicable						
Mr S Lane	2011	149,350	-	16,321	-	-	-	165,671
	2010	Not Applicable						
Mr C Pougnault	2011	62,196	-	5,597	-	-	-	67,793
	2010	Not Applicable						
Mr N. J. Smith	2011	29,076	-	2,616	-	-	-	31,692
	2010	103,400	-	4,500	-	-	74,250	182,150
Total Key Management Personnel	2011	821,933	-	79,731	-	-	-	901,664
	2010	508,688	-	40,796	-	-	445,500	994,984
Other Executives								
Mr A Francesca	2011	175,128	-	-	-	-	-	175,128
	2010	166,465	-	-	-	-	44,550	211,015
Total Other Executives	2011	175,128	-	-	-	-	-	175,128
	2010	166,465	-	-	-	-	44,550	211,015

Of Mr Francesca's fees \$69,600 (2010: \$69,600) relates to the Company Secretarial function with the balance for additional taxation, accounting and corporate services, paid to FJH Solutions Pty Ltd, (of which Mr Francesca is a director).

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS' REPORT (CONTINUED)

SHARE BASED COMPENSATION

For each grant of options included in remuneration above, the percentage of the grant that was paid, or that was vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below.

Name	Bonus		Year Granted	Share-based compensation benefits (options)				
	Paid %	Forfeited %		Vested %	Forfeited %	Financial years in which options may vest	Minimum total value of grant yet to vest	Maximum total value of grant yet to vest
G C George	-	-	2010	100	-	-	-	-
G J Bromley	-	-	2010	100	-	-	-	-
N J Smith	-	-	2010	100	-	-	-	-
A Tsang	-	-	2010	100	-	-	-	-
B Chow	-	-	2010	100	-	-	-	-
A Francesca	-	-	2010	100	-	-	-	-


SECURITIES RECEIVED THAT ARE PERFORMANCE RELATED

No members of key management personnel received securities during the period which were dependent upon the performance of the Group's share price as part of their remuneration package.

END OF AUDITED REMUNERATION REPORT

Signed in accordance with a resolution of the Board of Directors:

On behalf of the Directors



GREGORY JOHN BROMLEY
Managing Director, Mindax Limited

Dated this 19th day of September 2011

19 September 2011

The Board of Directors
Mindax Limited
Level 1, 25 Richardson Street
WEST PERTH WA 6005

Dear Sirs

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

As lead auditor of Mindax Limited for the year ended 30 June 2011, 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 the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mindax Limited and the entities it controlled during the period.



Phillip Murdoch
Director

BDO

BDO Audit (WA) Pty Ltd
Perth, Western Australia

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
DIRECTORS' DECLARATION


The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 27 to 58, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, the Corporations Regulations and other mandatory reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the consolidated group;
2. The Managing Director and Chief Financial Officer have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.

Note (1) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
3. 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.

On behalf of the Directors



GREGORY JOHN BROMLEY
Managing Director, Mindax Limited

Perth

Dated this 19th day of September 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINDAX LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Mindax Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 report.

Opinion

In our opinion:

- (a) The financial report of Mindax Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.


Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Mindax Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO


Phillip Murdoch
Director

Perth, Western Australia
Dated this 19th day of September 2011

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 JUNE 2011

	NOTE	2011 \$	2010 \$
Revenue from continuing operations	(2)	461,673	254,712
Write off exploration expenditure	(7)	(1,252,382)	(657,605)
Depreciation and amortisation expense		(116,236)	(71,536)
Directors fees		(184,076)	(191,821)
Employee benefits expense		(417,722)	(350,923)
Corporate management fees		(274,362)	(257,682)
Share based payments - employee options	(24)	-	(612,900)
Administrative expenses		(399,057)	(130,319)
Occupancy costs		(229,531)	(247,068)
Finance costs		(358)	(1,492)
Marketing costs		-	(72,912)
Profit (loss) before income taxes		(2,412,051)	(2,339,546)
Income tax expense	(3)	-	-
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(2,412,051)	(2,339,546)
Profit (loss) from continuing operations attributable to owners of the parent entity		(2,412,051)	(2,339,546)

Earnings per share		2011	2010
Basic earnings (loss) per share (cents)	(13)	(1.64)	(1.78)
Diluted earnings (loss) per share (cents)	(13)	N/A	N/A

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2011

	NOTE	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	(4)	1,974,376	10,955,903
Trade and other receivables	(5)	1,925,832	362,647
Other assets		133,977	-
TOTAL CURRENT ASSETS		4,034,185	11,318,550
NON-CURRENT ASSETS			
Plant and equipment	(6)	363,504	377,843
Other assets		2,885	1,785
Exploration and evaluation assets	(7)	15,572,909	8,253,063
TOTAL NON-CURRENT ASSETS		15,939,298	8,632,691
TOTAL ASSETS		19,973,483	19,951,241
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	(8)	817,465	312,732
Borrowings	(9)	-	3,664
Provisions	(10)	119,858	72,482
TOTAL CURRENT LIABILITIES		937,323	388,878
NON-CURRENT LIABILITIES			
Provisions	(10)	29,509	-
TOTAL NON-CURRENT LIABILITIES		29,509	-
TOTAL LIABILITIES		966,832	388,878
NET ASSETS		19,006,651	19,562,363
EQUITY			
Issued capital	(11)	27,752,473	25,896,134
Reserves	(12)	624,151	624,151
Accumulated losses		(9,369,973)	(6,957,922)
TOTAL EQUITY		19,006,651	19,562,363

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

2011	ORDINARY	ACCUMULATED	SHARE BASED	TOTAL
	SHARES	LOSSES	PAYMENT	
	\$	\$	RESERVE	
Balance at 1 July 2010	25,896,134	(6,957,922)	624,151	19,562,363
Profit (loss) attributable to owners of the parent entity	-	(2,412,051)	-	(2,412,051)
Other comprehensive income	-	-	-	-
Total other comprehensive income for the year	-	(2,412,051)	-	(2,412,051)
Shares issued during the year	2,036,584	-	-	2,036,584
Transaction costs	(180,245)	-	-	(180,245)
Sub-total	1,856,339	(2,412,051)	-	(555,712)
Balance at 30 June 2011	27,752,473	(9,369,973)	624,151	19,006,651

2010	ORDINARY	ACCUMULATED	SHARE BASED	TOTAL
	SHARES	LOSSES	PAYMENT	
	\$	\$	RESERVE	
Balance at 1 July 2009	17,905,692	(4,618,376)	11,251	13,298,567
Profit (loss) attributable to owners of the parent entity	-	(2,339,546)	-	(2,339,546)
Other comprehensive income	-	-	-	-
Total other comprehensive income for the year	-	(2,339,546)	-	(2,339,546)
Shares issued during the year	8,590,000	-	-	8,590,000
Transaction costs	(599,558)	-	-	(599,558)
Share based payment	-	-	612,900	612,900
Sub-total	7,990,442	(2,339,546)	612,900	6,263,796
Balance at 30 June 2010	25,896,134	(6,957,922)	624,151	19,562,363

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

Statement of Cash Flows	NOTE	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		16,589	-
Payments to suppliers and employees		(1,231,266)	(1,284,237)
Interest received		383,077	299,480
Interest paid		(358)	(1,492)
Net cash (used in) operating activities	(23)	<u>(831,958)</u>	<u>(986,249)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Recovery of exploration expenditure - JV Partner		-	669,984
Payment for security deposit		(2,185)	-
Purchase of property, plant and equipment		(106,625)	(240,390)
Payment for exploration expenditure		(9,902,882)	(4,310,658)
Net cash (used in) investing activities		<u>(10,011,692)</u>	<u>(3,881,064)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		2,036,584	8,590,000
Proceeds from borrowings		-	19,796
Repayment of borrowings		(3,664)	(21,664)
Payment of share issue costs		(170,797)	(596,597)
Net cash from financing activities		<u>1,862,123</u>	<u>7,991,535</u>
Net (decrease) increase in cash and cash equivalents held		(8,981,527)	3,124,222
Cash and cash equivalents at beginning of financial year		10,955,903	7,831,681
Cash and cash equivalents at end of financial year	(4)	<u>1,974,376</u>	<u>10,955,903</u>

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

This financial report includes the consolidated financial statements and notes of Mindax Limited and controlled entities (the Group).

1) *Summary of Significant Accounting Policies*

Mindax Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

These financial statements are presented in Australian dollars, rounded to the nearest dollar.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Mindax Limited at the end of the reporting period. A controlled entity is any entity over which Mindax Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note (19) to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and consolidated statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

INCOME TAX

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Mindax Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the separate taxpayer within group approach.

EMPLOYEE BENEFITS

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

PROVISIONS

Provisions are recognised when the Group 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 outflow can be reliably measured.

FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. All other companies within the Group have Australian dollars as their functional currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the consolidated statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the consolidated statement of comprehensive income.

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated balance sheet. These differences are recognised in the consolidated statement of comprehensive income in the period in which the operation is disposed.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or at cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- a) the amount at which the financial asset or financial liability is measured at initial recognition;
- b) less principal repayments;
- c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognise and the maturity amount calculated using the *effective interest method*; and
- d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

FINANCIAL LIABILITIES

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DERECOGNITION

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

PLANT AND EQUIPMENT

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

Plant and equipment are measured on the cost basis.

DEPRECIATION

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held 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.

The estimated useful lives used for each class of depreciable assets are:

CLASS OF FIXED ASSET	USEFUL LIFE
Plant and Equipment	3 - 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of comprehensive income.

Property, plant and equipment is derecognised and removed from the consolidated balance sheet on disposal or when no future economic benefits are expected. Gains and losses from derecognition are measured as the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss.

Subsequent costs are included in the property, plant and equipment's carrying value or recognised as a separate asset when it is probable that future economic benefits associated with the item will be realised and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss.

EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditures are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated expenditures in respect of that area are written off in the financial period the decision is made.

CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the proceeds

IMPAIRMENT OF ASSETS

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information including, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Non-financial assets, other than inventories, deferred tax assets, assets from employee benefits, and deferred acquisition costs, are assessed for any indication of impairment at the end of each reporting period. Any indication of impairment requires formal testing of impairment by comparing the carrying amount of the asset to an estimate of the recoverable amount of the asset. An impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually regardless of whether there is any indication of impairment.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. The asset's value in use is calculated as the estimated future cash flows discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks associated with the asset. Assets that cannot be tested individually for impairment are grouped together into the smallest group of assets that generates cash inflows (the asset's cash-generating unit).

Impairment losses are recognised in profit or loss. Impairment losses are allocated first, to reduce the carrying amount of any goodwill allocated to cash-generating units, and then to other assets of the group on a pro rata basis.

Assets other than goodwill are assessed at the end of each reporting period to determine whether previously recognised impairment losses may no longer exist or may have decreased. Impairment losses recognised in prior periods for assets other than goodwill are reversed up to the carrying amounts that would have been determined had no impairment loss been recognised in prior periods.

INTERESTS IN JOINT VENTURES

The Group's shares of the assets, liabilities, revenue and expenses of joint controlled entities or assets have been included in the appropriate items of the consolidated financial statements. Details of the Group's interests are shown in Note (20): Joint Ventures.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Group's interest in joint venture entities are brought to account using the equity method of accounting (refer to Note (20): Joint Venture for details) in the consolidated financial statements. The parent entity's interest in joint venture entities are brought to account at cost.

TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated balance sheet are shown inclusive of GST.

LEASES

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or 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 for the year. Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to ready for its intended use are capitalised as part of the cost of the asset.

Other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of finance charges and interest expenses calculated using the effective interest method, and include exchange differences arising from foreign currency borrowings to the extent that they are regarded as interest cost adjustments.

EARNINGS PER SHARE

Basic loss per share is calculated as net loss attributable to owners of the Company divided by the weighted average number of ordinary shares. Diluted loss per share is calculated by adjusting the net loss attributable to owners of the Company and the number of shares outstanding for the effects of all dilutive potential ordinary shares, which include shares options.

SHARE-BASED PAYMENT TRANSACTIONS

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

When the goods or services acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

The cost of equity-settled transactions and the corresponding increase in equity is measured at the fair value of the goods or services acquired. Where the fair value of the goods or services received cannot be reliably estimated, the fair value is determined indirectly by the fair value of the equity instruments using the Black Scholes option valuation technique.

Equity-settled transactions that vest after employees complete a specified period of service are recognised as services are received during the vesting period with a corresponding increase in equity.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial statements 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 Group.

Key Estimates - Impairment

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Key judgments - Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2010:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project;
- AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions;
- AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issues; and
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods and have not yet been applied in the financial report. The Group's assessment of the impact of these new standards and interpretations is set out below.

- AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011). Amendments made to AASB 7 Financial Instruments: Disclosures in November 2010, introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments are not expected to have any significant impact on the Group's disclosures. The Group intends to apply the amendment from 1 July 2011.
- AASB 10 Consolidated Financial Statements (effective for the annual reporting periods commencing on or after 1 January 2013). AASB 10 introduces certain changes to the consolidation principles, including the concept of de facto control and changes in relation to the special purpose entities. The Group is continuing to assess the impact of the standard.
- AASB 11 Joint Arrangements (effective for the annual reporting periods commencing on or after 1 January 2013). AASB 11 introduces certain changes to the accounting for joint arrangements. Joint arrangements will be classified as either joint operations (where parties with joint control have rights to assets and obligations for liabilities) or joint ventures (where parties with joint control have rights to the net assets of the arrangement). Joint arrangements structured as a separate vehicle will generally be treated as joint ventures and accounted for using the equity method. The Group is continuing to assess the impact of the standard.
- AASB 13 Fair Value Measurement (effective for annual reporting periods commencing on or after 1 January 2013). AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value on the balance sheet or disclosed in the notes to the financial statements. The Group is continuing to assess the impact of the standard.
- AASB 2011-9 Presentation of Financial Statements (effective for annual reporting periods commencing on or after 1 July 2013). AASB 101, amended in June 2011, introduces amendments to align the presentation items of other comprehensive income with US GAAP. The Group will apply the amended standard from 1 July 2013. When the standard is first adopted, there will be changes to the presentation of the statement of comprehensive income. However, there will be no impact on any of the amounts recognised in the financial statements.
- AASB 1054 Australian Additional Disclosures (effective for annual reporting periods beginning on or after 1 July 2011). AASB 1054, issued in May 2011, moves additional Australian specific disclosure requirements for for-profit entities from various Australian Accounting Standards into this Standard as a result of Trans-Tasman Convergence Project. AASB 1054 Australian Additional Disclosures removes the requirement to disclose each class of capital commitments contracted for at the end of the reporting period (other than commitments for the supply of inventories). When the standard is adopted for the first time for the financial year ending 30 June 2012, the financial statements will no longer include disclosures about capital and other expenditure commitments as these are no longer required by AASB 1054.
- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 2013). AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is continuing to assess its full impact.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective for annual reporting periods beginning on or after 1 January 2011). In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party. The Group's will apply the amended standard from 1 July 2011. When the amendments are applied, the Group will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements.
- AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013). On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Group is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.
- AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets (effective from 1 January 2012). In December 2010, the AASB amended AASB 112 Income Taxes to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets and liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. The amendment is not expected to have any significant impact on the Group's financial statements. The Group intends to apply the amendment from 1 July 2012.
- AASB 119 - Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans, actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods, subtle amendments to timing for recognition of liabilities for termination benefits, and employee benefits expected to be settled (as opposed to due to settled under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability. This standard has no impact as there are no annual leave provision amounts that are non-current. The Group will apply this from 1 July 2013.

The Group does not anticipate early adoption of any of the above accounting standards.

2) Revenue and Other Income

	2011	2010
	\$	\$
Interest revenue	365,780	254,519
Other revenue	95,893	193
	<hr/>	<hr/>
	461,673	254,712

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3) *Income Tax Expense*

(A) THE COMPONENTS OF TAX EXPENSE COMPRISE:

	2011	2010
	\$	\$
Current tax	-	-
Deferred tax	-	-
R & D tax rebate	-	-

(B) THE PRIMA FACIE TAX ON LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX IS RECONCILED TO THE INCOME TAX AS FOLLOWS:

Loss from continuing operations before income tax expense	(2,412,051)	(2,339,546)
Income tax (benefit) at 30% (2010:30%)	(723,615)	(701,864)
Add /(less):		
Tax effect of amounts which are (deductible)/taxable:		
- Share based payments	-	183,870
- Tenement expenditure write-off	375,715	197,281
- ITRAA 1997 s40-730 Exploration Expenditure	(2,571,668)	(1,046,693)
- Write-off for business related capital costs	(66,908)	(58,178)
- Sundry non-deductable items	68,112	54,844
- Sundry non-assessable items	(27,472)	(48,100)
	(2,945,837)	(716,976)
R & D tax rebate	211,478	-
Income tax expense/(benefit) not recognised	(2,734,359)	(1,418,839)
Total income tax expense/(benefit)	-	-

(C) TAX LOSSES:

Unused tax losses for which no deferred tax assets has been recognised	23,571,282	13,963,302
Potential tax benefit at 30%	7,071,385	4,188,991

(D) UNRECOGNISED TEMPORARY DIFFERENCES:

Deferred tax assets		
- Tax losses	7,071,385	4,188,991
- Capital raising costs	171,182	184,017
- Other temporary differences	70,501	36,988
Deferred tax liabilities		
- Capitalised exploration expenditure	(5,047,587)	(2,678,878)
- Other temporary differences	(7,442)	(14,683)
Net deferred tax assets	(11,884,731)	1,716,435

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The net deferred tax assets arising from these balances have not been recognised as an asset because recovery is not probable at the point in time. The recoupment of available tax losses as at the 30 June 2011 is contingent upon the following:

- (i) The Group deriving future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) The conditions for deductibility imposed by tax legislation continuing to be complied with; and
- (iii) There being no changes in tax legislation which adversely affect the Group from realising the benefit.

4) Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash on hand	1,974,376	10,955,903
	<u>1,974,376</u>	<u>10,955,903</u>

5) Trade and Other Receivables

	2011	2010
	\$	\$
CURRENT		
Sundry Debtors	80,533	-
Joint venture receivable	1,683,412	201,709
Term deposits	161,887	160,938
	<u>1,925,832</u>	<u>362,647</u>

Details of the Group's exposure to risks arising from current trade and other receivables are set out in Note (15): Financial Risk Management.

6) Plant and Equipment

	2011	2010
	\$	\$
Plant and equipment		
At cost	685,660	641,725
Accumulated depreciation	(372,728)	(263,882)
	<u>312,932</u>	<u>377,843</u>
Campsite		
At cost	57,962	-
Accumulated depreciation	(7,390)	-
	<u>50,572</u>	<u>-</u>
Total plant and equipment	<u>363,504</u>	<u>377,843</u>

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	PLANT AND EQUIPMENT	CAMPSITE	TOTAL
	\$	\$	\$
Balance at 30 June 2011			
Balance at the beginning of year (1 July 2010)	377,843	-	377,843
Additions	43,935	57,962	101,897
Depreciation expense	(108,846)	(7,390)	(116,236)
Balance at 30 June 2011	<u>312,932</u>	<u>50,572</u>	<u>363,504</u>
Balance at 30 June 2010			
Balance at the beginning of year (1 July 2009)	208,988	-	208,988
Additions	240,391	-	240,391
Depreciation expense	(71,536)	-	(71,536)
Balance at 30 June 2010	<u>377,843</u>	<u>-</u>	<u>377,843</u>

7) Exploration and evaluation assets

	2011	2010
	\$	\$
Exploration expenditure	15,572,909	8,253,063
	<u>15,572,909</u>	<u>8,253,063</u>
EXPLORATION AND EVALUATION ASSETS		
Balance at the beginning of the year	8,253,063	5,421,693
Expenditure incurred	8,572,228	3,488,975
Write off	(1,252,382)	(657,605)
Balance at end of the year	<u>15,572,909</u>	<u>8,253,063</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8) *Trade and Other Payables*

	2011	2010
	\$	\$
CURRENT		
Trade payables	463,825	224,142
Accruals and other payables	353,640	88,590
	<u>817,465</u>	<u>312,732</u>

9) *Borrowings*

	2011	2010
	\$	\$
CURRENT		
Other loans - premium funding	-	3,959
Less unexpired interest	-	(295)
	<u>-</u>	<u>3,664</u>

10) *Provisions*

	2011	2010
	\$	\$
CURRENT		
Employee entitlements	119,858	72,482
	<u>119,858</u>	<u>72,482</u>
NON-CURRENT		
Employee entitlements	29,509	-
	<u>29,509</u>	<u>-</u>

The Non-Current component of provisions relates to long service leave that is expected to be paid out later than 12 months from balance date.

11) *Issued Capital*

	2011	2010
	\$	\$
151,514,567 (2010: 145,695,756) Ordinary shares	29,191,353	27,154,769
Share issue costs written off against issued capital	(1,438,880)	(1,258,635)
	<u>27,752,473</u>	<u>25,896,134</u>

ORDINARY SHARES	No.	\$
Balance at 1 July 2009	129,115,756	18,564,769
Shares issued for working capital at \$0.50 on 14 January 2010	1,580,000	790,000
Shares issued for working capital at \$0.52 on 24 May 2010	15,000,000	7,800,000
Balance at 30 June 2010	145,695,756	27,154,769
Shares issued for working capital at \$0.35 on 19 April 2010	5,818,811	2,036,584
Balance at 30 June 2011	<u>151,514,567</u>	<u>29,191,353</u>

OPTIONS

For information relating to share options issued to key management personnel (under the employee option scheme) during the financial year, refer to Note (17): Interests of Key Management Personnel.

The current Mindax Limited Employee and Consultant Option Scheme (“EOS”) was approved by shareholders at a general meeting held on 27 November 2008. The purpose of the EOS is to provide a means by which employees (including directors of the Company) and consultants, upon whom the responsibilities for the successful growth of the Company rest, can share in such growth and recognise the ability and efforts of those who have contributed to the success of the Company.

The key terms of the EOS include:

- Options are issued to selected Eligible Employees for free;
- The allotment of options with any attaching conditions is at the discretion of the Board of Directors;
- Shares allotted on the exercise of the options are to be issued at an exercise price which is the greater of:
 - 120% of the market value of the shares on the day the option is issued;
 - 25 cents; or
 - any greater exercise price determined by the Board and advised to the Employee or Consultant when Options are offered to the Employee or Consultant,
- Options are unlisted and not transferable except with prior written approval of the Board; and
- Options carry no dividend rights or voting rights.

The Company had a total of 2,350,000 employee and consultant options over ordinary shares in the Company as at 30 June 2011 (2010: 2,450,000).

No options were issued during the period.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard their ability to continue as a going concern and to provide returns for shareholders and benefits for other stakeholders and to maintain capital structure to reduce the cost of capital.

The net assets of the Group are equivalent to capital. Net capital is obtained through capital raising on the Australian Securities Exchange.

The Board of Directors monitors capital on an ad-hoc basis. No formal targets are in place for a return on capital, or for gearing ratios, as the Group has not derived any income from their mineral exploration and currently has no debt facilities in place.

12) Reserves

SHARE BASED PAYMENT RESERVE

The option reserve records items recognised as expenses on valuation of employee share options.

RESERVES	2011 \$	2010 \$
Employee equity-settled benefits	624,151	624,151
Employee equity-settled benefits reserve		
Balance at beginning of financial year (1 July 2010)	624,151	11,251
Share-based payment	-	612,900
Options exercised	-	-
Options cancelled	-	-
Balance at 30 June 2011	624,151	624,151

The employee equity settled benefits reserve arises on the grant of share options to parties under the Employee and Consultant Option Scheme. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to employees is made in Note (24): Share-based Payments.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13) *Earnings per Share (EPS)*

	2011	2010
	\$	\$
Earnings used to calculate basic and diluted EPS	(2,412,051)	(2,339,546)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS:		
	2011	2010
	No.	No.
Weighted average number of ordinary shares outstanding during the year - No. used in calculating basic EPS	146,859,518	131,527,920
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	146,859,518	131,527,920

Diluted earnings per share are the same as basic earnings per share as the Group incurred a loss for the year and therefore is not considered dilutive.

14) *Capital and Leasing Commitments*

(a) LEASE COMMITMENTS - NON CANCELLABLE	2011	2010
	\$	\$
Payable		
- not later than 12 months	95,781	238,119
- between 12 months and 5 years	53,539	59,835
	<u>149,320</u>	<u>297,954</u>
(B) LEASE COMMITMENTS - CANCELLABLE		
Payable		
- not later than 12 months	534	534
- between 12 months and 5 years	175	133
	<u>709</u>	<u>667</u>
(c) EXPLORATION EXPENDITURE COMMITMENTS		
Payable		
- not later than 12 months	1,735,325	1,782,795
- between 12 months and 5 years	8,686,655	8,226,845
- greater than 5 years	2,635,570	2,213,880
	<u>13,057,550</u>	<u>12,223,520</u>

The above commitments include exploration commitments of 53% relating to the Yilgarn - Avon Joint Venture.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(D) REMUNERATION COMMITMENTS

Payable

- not later than 12 months	147,500	295,000
- between 12 months and 5 years	-	147,500
	<u>147,500</u>	<u>442,500</u>

15) *Financial Risk Management*

The Group's financial instruments consist mainly of deposits with banks, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2011 \$	2010 \$
Financial Assets			
Cash and cash equivalents	4	1,974,376	10,955,903
Trade and other receivables	5	1,925,832	362,647
Total Financial Assets		<u>3,900,208</u>	<u>11,318,550</u>
Financial Liabilities			
Trade and other payables	8	817,465	312,732
Total Financial Liabilities		<u>817,465</u>	<u>312,732</u>

Due to their short term nature, the carrying amounts of these financial instruments approximate their fair values.

FINANCIAL RISK MANAGEMENT POLICIES

Exposure to key financial risks is managed in accordance with the Group's risk management policy with the objective to ensure that the financial risks inherent in exploration activities are identified and then managed or kept as low as reasonably practicable.

The main financial risks that arise in the normal course of business are market risk (primarily interest rate risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments for exploration expenditure. Exposure to liquidity risk is limited by anticipating liquidity shortages and ensures capital can be raised in advance of shortages. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit exposure to price risk.

Primary responsibility for identification and control of financial risks rests with the Managing Director and Chief Financial Officer, under the authority of the Board. The Board is apprised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial instrument

are disclosed in Note (1) to the financial statements. The carrying values less the impairment allowance for receivables and payables are assumed to approximate fair values due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

(A) CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Group.

The Group trades only with recognised, creditworthy third parties.

The Group has no customers and consequently no significant exposure to bad debts or other credit risks. During the period however, Mindax invoiced its Joint Venture partner, Quasar Resources Pty Ltd, for capital expenditures incurred in the Yilgran Avon area of interest. These costs amounted to \$1,683,412 which were outstanding at 30 June 2011 and recorded as receivables. Management are satisfied that this balance is recoverable due to the options available to Mindax should Quasar not pay the costs. An option that has already been exercised during the period was Quasar to dilute their share of the Joint Venture by the amount owing to Mindax. Management is willing to exercise this option if Quasar Resources were to opt not to pay.

With respect to credit risk arising from financial assets, which comprise cash and cash equivalents and receivables, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. At reporting date cash and deposits were held with Commonwealth Bank of Australia and Westpac Banking Corporation.

The credit quality of the financial assets that are either past due or impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. All cash balances are deposits with financial institutions with 'AA' S&P ratings. The term deposits disclosed in Trade and other receivables (Note 5) are also deposits with financial institutions with 'AA' S&P ratings. The remaining trade and other receivables balance is to customers or institutions with no credit ratings.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

(B) LIQUIDITY RISK

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Group's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Group monitors its ongoing exploration cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The Group has no undrawn financing facilities. Trade and other payables, the only financial liability of the Group, are due within 3 months.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation.

Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	WITHIN 1 YEAR		1 TO 5 YEARS		TOTAL CONTRACTUAL CASH FLOW	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	817,465	312,732	-	-	817,465	312,732
Total contractual outflows	817,465	312,732	-	-	817,465	312,732
Financial assets - cash flows realisable						
Trade and other receivables	1,925,832	362,647	-	-	1,925,832	362,647
Total anticipated inflows	1,925,832	362,647	-	-	1,925,832	362,647

The financial assets and liabilities noted above are interest free.

(c) MARKET RISK – INTEREST RATE RISK

The Group's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. At reporting date, the Group does not have any borrowings. The Group does not enter into hedges. An increase/(decrease) in interest rates by 1% during the whole of the respective periods would have led to an increase/(decrease) in both equity and losses of less than \$10,000. 1% was thought to be appropriate because it represents four 0.25 basis point rate rises/falls, which is appropriate in the present economic climate. The majority of cash held in a Term Deposit earns interest income at a rate of 5.59% p.a.

16) *Operating Segments*

IDENTIFICATION OF REPORTABLE SEGMENTS

The group has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach', i.e. 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)
4. Iron Ore (Comprising the Mt Forrest and Fred's Bore Project)

Segment information provided to the executive management committee for the year ended 30 June 2011 is as follows:

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Consolidated	Uranium	Gold	Copper and Gold	Iron Ore	Total
Year ended 30 June 2011	\$	\$	\$	\$	\$
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	581	809,426	-	442,375	1,252,382
Year ended 30 June 2010	\$	\$	\$	\$	\$
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	-	-	-	(657,605)	(657,605)
Total segment assets					
30 June 2011	2,407,053	784,878	920,761	11,460,217	15,572,909
30 June 2010	1,460,934	1,440,818	716,792	4,634,519	8,253,063

Reportable segment assets can be reconciled directly to the statement of financial position and as such reconciliation to the consolidated entities assets has not been disclosed.

	2011 \$	2010 \$
Total profit or loss for reportable segments		
Intersegment eliminations		
<u>Allocated Segment Amounts</u>		
Uranium	(581)	(657,605)
Gold	(809,426)	-
Copper & Gold	-	-
Iron Ore	(442,375)	-
Total: Allocated Segment Amounts	(1,252,382)	(657,605)
<u>Unallocated amounts</u>		
Finance costs	(358)	(1,492)
Interest revenue	365,780	254,519
Other revenue	95,893	193
Depreciation and amortisation	(116,237)	(71,536)
Share-based payments	0	(612,900)
Other expenses	(1,504,747)	(1,250,725)
Total: Allocated Segment Amounts	(1,159,669)	(1,681,941)
Loss before income tax from continuing operations	(2,412,051)	(2,339,546)

17) *Interests of Key Management Personnel*

The totals of remuneration paid to key management personnel of the Company and the Group during the year are as follows:

	2011 \$	2010 \$
Short-term employee benefits	821,933	508,688
Post-employment benefits	79,731	40,796
Share-based payments	-	445,500
Totals	901,664	994,984

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2011.

KEY MANAGEMENT PERSONNEL OPTIONS AND RIGHTS HOLDINGS

The number of options over ordinary shares held by each key management person of the Group during the financial year is as follows:

30 JUNE 2011	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR	VESTED DURING THE YEAR	VESTED AND EXERCISABLE
Mr G. C. George	1,698,312	-	-	-	1,698,312	-	1,698,312
Mr G. J. Bromley	3,297,500	-	-	-	3,297,500	-	3,297,500
Mr A. Tsang	16,325,055	-	-	-	16,325,055	-	16,325,055
Mr B. Chow	320,000	-	-	-	320,000	-	320,000
Mr K Pettit	-	-	-	115,000	115,000	-	115,000
Mr N. Smith	1,831,550	-	-	(1,831,550)	-	-	1,831,550
Mr C. Pougault	-	-	-	-	-	-	-
Mr J. Vinar	-	-	-	-	-	-	-
Mr S. Lane	50,000	-	-	-	50,000	-	50,000
Totals	23,522,417	-	-	(1,716,550)	21,825,867	-	23,637,417

Note: "Other changes during the year" reflects option and rights holdings at the time of an appointment or resignation of Key Management Personnel

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 JUNE 2010	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR	VESTED DURING THE YEAR	VESTED AND EXERCISABLE	BALANCE ON RESIGNATION
Mr G. C. George	-	250,000	-	1,448,312	1,698,312	250,000	1,698,312	-
Mr G. J. Bromley	-	500,000	-	2,797,500	3,297,500	500,000	3,297,500	-
Mr A. Tsang	-	250,000	-	16,075,055	16,325,055	250,000	16,325,055	-
Mr B. Chow	-	250,000	-	70,000	320,000	250,000	320,000	-
Mr N. Smith	-	250,000	-	1,581,550	1,831,550	250,000	1,581,550	-
Totals	-	1,500,000	-	21,972,417	23,472,417	1,500,000	23,222,417	-

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

The number of ordinary shares in Mindax Limited held by each key management person of the Group during the financial year is as follows:

	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR
30 June 2011					
Mr G. C. George	2,896,625	-	-	-	2,896,625
Mr G. J. Bromley	5,595,001	-	-	-	5,595,001
Mr A. Tsang	32,230,112	-	-	-	32,230,112
Mr B. Chow	140,000	-	-	-	140,000
Mr K Pettit	-	-	-	510,206	510,206
Mr C. Pougault	-	-	-	-	-
Mr J. Vinar	-	-	-	-	-
Mr S. Lane	100,000	-	-	-	100,000
Mr N. Smith	3,163,100	-	-	(3,163,100)	-
Totals	44,124,838	-	-	(2,652,894)	41,471,944

Note: "Other changes during the year" reflects shareholdings at the time of an appointment or resignation of Key Management Personnel

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR/ON RESIGNATION
30 June 2010					
Mr G. C. George	2,786,625	-	-	110,000	2,896,625
Mr G. J. Bromley	6,355,001	-	-	(760,000)	5,595,001
Mr A. Tsang	30,785,112	-	-	1,445,000	32,230,112
Mr B. Chow	-	-	-	140,000	140,000
Mr N. Smith	3,103,100	-	-	60,000	3,163,100
Totals	43,029,838	-	-	995,000	44,024,838

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer to Note (22): Related Party Transactions.

18) Auditors' Remuneration

	2011	2010
	\$	\$
Remuneration of the auditor of the parent entity for Audit Services	39,242	49,238
	<u>39,242</u>	<u>49,238</u>

19) Controlled Entities

NAME	COUNTRY OF INCORPORATION	PERCENTAGE OWNED (%)*	
		2011	2010
Parent Entity:			
Mindax Limited	Australia		
Subsidiaries of legal parent entity:			
Mindax Energy Pty Ltd	Australia	100	100
Yilgiron Pty Ltd	Australia	100	100
Yilgiron Infrastructure Pty Ltd	Australia	100	-

* Percentage of voting power is in proportion to ownership

ACQUISITIONS/DISPOSALS OF CONTROLLED ENTITIES

During the year, the parent incorporated Yilgiron Infrastructure Pty Ltd.

20) Joint Venture

The Yilgarn-Avon Joint Venture ("YAJV") is a Mindax operated 53% / 47% joint venture with Quasar Resources Pty Ltd ("Quasar"). YAJV has a land area of in excess of 4,500 square kilometres in the South West of Western Australia with exploration having commenced on granted licences. The YAJV is an unincorporated joint venture with the Group having reported its share of assets employed, liabilities incurred and expenses incurred in their respective categories of the financial statements.

Share of joint venture entity's results and financial position	2011	2010
	\$	\$
Current assets	49,526	35,386
Non-current assets	3,501,545	2,173,589
Total assets	3,551,071	2,208,975
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Revenue	-	-
Expenses	-	-
Profit before income tax	-	-
Income tax expense	-	-
Profit after income tax	-	-

21) Contingent Liabilities

Term deposits of \$33,000 have been temporarily secured by the Company's bankers to provide a bank guarantee of \$13,000 and \$20,000 in favour of the Minister for State Development as unconditional performance bonds on EL 57/619 and 57/555 respectively.

A term deposit of \$124,042 has also 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 of any contingent liabilities or contingent assets.

22) Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

TRANSACTIONS WITH RELATED PARTIES:

A) Directors' Remuneration

There were no related party transactions with key management personnel during the financial year than those disclosed at Note (17): Interests of Key Management Personnel.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

B) Transactions with other related parties

There were no other loans or transactions with related parties during the year.

23) *Cash Flow Information*

	2011	2010
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX	\$	\$
Net (loss)/income for the year	(2,412,051)	(2,339,546)
Non-cash flows in Statement of Comprehensive Income		
Depreciation and amortisation	116,236	71,536
Exploration written off	1,252,382	657,605
Share based payments	-	612,900
Loss on sale of fixed asset	4,728	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	(241,979)	19,217
(Increase)/decrease in prepayments	(132,892)	(6,122)
Increase/(decrease) in trade and other payables	504,733	3,301
- Increase/(decrease) in provisions	76,885	(5,140)
	<u>(831,958)</u>	<u>(986,249)</u>

24) *Share-based Payments*

The Company operates an Employee and Consultant Options Scheme, from which Share based payments are undertaken. A summary of the scheme is set out in Note (11): Issued Capital.

During the year ended 30 June 2011, the Company made no share-based payments. \$612,900 of share based payments was expensed during the prior financial year.

The following options from share based payments were outstanding at 30 June 2011

Grant date	Expiry date	Exercise price \$	Balance at start of the year (number)	Granted during the year (number)	Exercised during the year (number)	Cancelled during the year (number)	Balance at end of the year (number)	Vested and Exercisable at end of year (number)
10-Jan-08	10-Jan-11	0.25	100,000	-	-	(100,000)	-	-
4-Aug-08	1-Aug-12	0.53	250,000	-	-	-	250,000	250,000
12-Oct-09	12-Oct-12	0.48	300,000	-	-	-	300,000	300,000
16-Dec-09	31-Mar-12	0.60	1,800,000	-	-	-	1,800,000	1,800,000
Totals			2,450,000	-	-	(100,000)	2,350,000	2,350,000
Weighted average exercise price			\$0.56	-	-	\$0.25	\$0.57	\$0.57

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.86 years

The following options from share based payments were outstanding at 30 June 2010

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Grant date	Expiry date	Exercise price \$	Balance at start of the year (number)	Granted during the year (number)	Exercised during the year (number)	Cancelled during the year (number)	Balance at end of the year	Vested and Exercisable at end of year (number)
10-Jan-08	10-Jan-11	0.25	100,000	-	-	-	100,000	100,000
4-Aug-08	1-Aug-12	0.53	250,000	-	-	-	250,000	250,000
12-Oct-09	12-Oct-12	0.48	-	300,000	-	-	300,000	300,000
16-Dec-09	31-Mar-12	0.60	-	1,800,000	-	-	1,800,000	1,800,000
Totals			350,000	2,100,000	-	-	2,450,000	2,450,000
Weighted average exercise price			\$0.45	\$0.58	-	-	\$0.56	\$0.56

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.84 years

EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

Total expenses arising from share based payment transactions recognised during the period as part of employee benefit expense were as follows:

EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS	2011 \$	2010 \$
Options issued under EOS	-	612,900

FAIR VALUE OF OPTIONS GRANTED

As no options were granted during the financial year no assessment of fair value is required. For completeness, the assessed fair value at grant date of options granted during the prior year (ended 30 June 2010) is outlined below. The fair value at grant date is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the option term, the share price at grant date and expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2010 included:

	300,000 Employee options issued 12 October 2009	1,500,000 Director options issued 16 December 2009	300,000 Consultant options issued 16 December 2009
Exercise price	\$0.48	\$0.60	\$0.60
Grant date	12 October 2009	16 December 2009	16 December 2009
Expiry date	12 October 2012	31 March 2012	31 March 2012
Share price at grant date	\$0.42	\$0.53	\$0.53
Expected price volatility of the Company's shares	100%	100%	100%
Expected dividend yield	0%	0%	0%
Risk-free interest rate	5.75%	5.75%	5.75%
Fair Value	\$0.250	\$0.332	\$0.332

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25) *Events after the End of the Reporting Period*

On the 16th of August 2011, the Company completed a partially underwritten pro rata renounceable entitlements issue ("Rights Issue") to raise gross proceeds of approximately \$4.750M. The basis of the Rights Issue was one new share (ranking equally in all respects with existing shares) for every five shares held at an issue price of 25 cents per share, together with one free attaching new 'piggyback' option for every new share issued.

On 13 July 2011 and 18 July 2011 the Company issued 2 ordinary shares and 7 ordinary shares respectively from the conversion of options with a 75 cent exercise price and an expiry date of 1 December 2011.

26) *Parent entity*

The following information has been extracted from the books and records of the parent, Mindax Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Mindax Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Mindax Limited	2011	2010
	\$	\$
Assets		
Current assets	4,008,709	11,291,825
Non current assets	16,997,047	9,300,281
Total Assets	<u>21,005,757</u>	<u>20,592,106</u>
Liabilities		
Current liabilities	(980,471)	413,526
Non current liabilities	(29,509)	-
Total Liabilities	<u>(1,009,980)</u>	<u>413,526</u>
Equity		
Issued capital	27,778,273	25,896,134
Accumulated losses	(8,406,647)	(6,341,705)
Share based payment reserve	624,151	624,151
Total Equity	<u>19,995,777</u>	<u>20,178,580</u>
Total loss for the year	<u>(2,039,142)</u>	<u>(2,257,844)</u>
Total comprehensive income	<u>(2,039,142)</u>	<u>(2,257,844)</u>

CONTINGENT LIABILITIES

The parent entity has contingent liabilities as at 30 June 2011 that are disclosed in Note (21): Contingent Liabilities.

CONTRACTUAL COMMITMENTS

The parent entity has commitments as at 30 June 2011 that are disclosed in Note (14): Capital and Leasing Commitments.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The additional information, dated 16 September 2011, is required by ASX Limited Listing Rules and not disclosed elsewhere in this report.

DISTRIBUTION OF SHAREHOLDERS (ASX CODE 'MDX'):

Spread of holdings	Number
1 - 1,000	48
1,001 - 5,000	72
5,001 - 10,000	88
10,001 - 100,000	228
100,001 – and over	99
TOTAL	535

Number of shareholders holding less than a marketable parcel: 80.

DISTRIBUTION OF OPTION HOLDERS (ASX CODE 'MDXO'):

Spread of holdings	Number
1 - 1,000	53
1,001 - 5,000	115
5,001 - 10,000	63
10,001 - 100,000	166
100,001 – and over	52
TOTAL	449

DISTRIBUTION OF OPTION HOLDERS (ASX CODE 'MDXOA'):

Spread of holdings	Number
1 - 1,000	17
1,001 - 5,000	14
5,001 - 10,000	6
10,001 - 100,000	13
100,001 – and over	10
TOTAL	60

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011
 ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

SUBSTANTIAL SHAREHOLDERS (ASX CODE 'MDX'):

Shareholder Name	Number of shares	%
Andrew Tsang*	43,070,425	25.259
HSBC Custody Nominees (Aus) Ltd	24,359,122	14.286
LAP Exploration Pte Ltd	22,034,616	12.922
Jupiter Mines Limited	13,213,579	7.749
TOTAL	102,677,742	60.216

* The interest held with respect to 10,840,313; 1,355,979 and 80,000 of these shares is held by Lei You (mother of Andrew Tsang); Chunxiang Zeng (wife of Andrew Tsang) and Xiang Rong (Australia) Construction Group Pty Ltd (an entity controlled by Andrew Tsang) respectively.

VOTING RIGHTS:

Ordinary shares: on a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options: no voting rights.

QUOTED SECURITIES:

Mindax Limited is listed on the Australian Securities Exchange.

Shares (ASX Code: MDX) – all 170,514,576 ordinary fully paid shares on issue are quoted securities.

Options (ASX Code: MDXO) – 64,938,800 options are quoted securities, with an exercise price of \$0.75 and an expiry date of 1 December 2011.

Options (ASX Code: MDXOA) – 19,000,000 options are quoted securities, with an exercise price of \$0.35; exercisable during April 2012 and with an expiry date of 30 April 2012.

RESTRICTED SECURITIES:

There are no restricted securities.

UNLISTED OPTIONS:

The Company has on issue the following unlisted options over unissued shares:

- a) 250,000 employee options with an exercise price of \$0.53 and an expiry date of 1 August 2012^A
- b) 300,000 employee and consultant options with an exercise price of \$0.48 and an expiry date of 12 October 2012^A
- c) 300,000 consultant options with an exercise price of \$0.60 and an expiry date of 31 March 2012^A
- d) 1,500,000 director options with an exercise price of \$0.60 and an expiry date of 31 March 2012^B
- e) 3,000,000 options held by LAP Exploration Pte Ltd with an exercise price of \$0.75 and an expiry date of 1 December 2011^C.

A - The options were issued pursuant to the Company's Employee and Consultant Option Scheme.

B - The options were issued pursuant to shareholder approval obtained at the Company's 2009 AGM.

C - The options were issued as part of the share placement to LAP Exploration Pte Ltd, announced to the market on 24 May 2010.

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

TWENTY LARGEST SHAREHOLDERS (ASX CODE 'MDX'):

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE (%)
Mr Andrew Tsang	30,794,133	18.060
HSBC Custody Nominees (Aus) Ltd	24,359,122	14.286
LAP Exploration Pte Ltd	22,034,616	12.922
Jupiter Mines Limited	13,213,579	7.749
Ms Lei You	10,840,313	6.357
Mr Guo Xiong Zeng	6,148,971	3.606
Ms Lici Zeng	5,097,151	2.989
Chipingi Pty Ltd <Bromley Family A/C>	4,840,000	2.838
Mr Gilbert Charles George	3,519,413	2.064
McNeil Nominees Pty Limited	2,500,000	1.466
Portcullis Corporate Advisory Pty Ltd	2,337,175	1.371
Sherryland Investments Pty Ltd	1,824,657	1.070
Mr Chaohui Zhang	1,399,000	0.820
Mr Yuanwen Zhu	1,375,000	0.806
Phillip Securities (Hong Kong) Ltd <Client A/C>	1,370,607	0.804
Ms Chunxiang Zeng	1,355,979	0.795
Mr Nengyan Zhang	1,262,677	0.741
Mr Heming He	1,153,877	0.677
Ms Ya Qin Zhai & Mr John Wu-Yi Zhuang <Johninfo Employees S/F A/C>	1,041,513	0.611
Mr Gregory John Bromley & Mrs Caroline Muriel Bromley <Bromley Super Fund A/C>	955,000	0.560
TOTAL	137,442,783	80.592

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

TWENTY LARGEST OPTION HOLDERS (ASX CODE 'MDXO'):

OPTIONHOLDER	NUMBER OF OPTIONS	PERCENTAGE
Mr Andrew Tsang	15,397,066	23.710
HSBC Custody Nominees (Aus) Ltd	11,770,016	18.125
Jupiter Mines Limited	6,606,789	10.174
Mr Guo Xiong Zeng	3,074,485	4.735
Ms Lici Zeng	2,423,575	3.732
Chipingi Pty Ltd <Bromley Family A/C>	2,360,000	3.634
Portcullis Corporate Advisory Pty Ltd	1,434,450	2.209
McNeil Nominees Pty Limited	1,250,000	1.925
Mr Gilbert Charles George	1,168,312	1.799
Mr Michael Francis Kelly	763,744	1.176
Mr Yuanwen Zhu	687,500	1.059
Phillip Securities (Hong Kong) Ltd <Client A/C>	682,735	1.051
Ms Chunxiang Zeng	677,989	1.044
Mr Nengyan Zhang	631,338	0.972
Mr Chaohui Zhang	619,500	0.954
Mr Heming He	576,938	0.888
Mr Benjamin Francis Warne	500,000	0.770
Mr Wenbin Wang	445,000	0.685
Mr Gregory John Bromley & Mrs Caroline Muriel Bromley <Bromley Super Fund A/C>	437,500	0.674
Mr John Burgess & Mrs Ernestine Burgess <John Burgess Super Fund A/C>	408,750	0.629
TOTAL	51,915,687	79.945

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

TWENTY LARGEST OPTION HOLDERS (ASX CODE 'MDXOA')

OPTIONHOLDER	NUMBER OF OPTIONS	PERCENTAGE
Ms Lei You	10,840,313	57.054
LAP Exploration Pte Ltd	3,672,435	19.329
Sherryland Investments Pty Ltd	1,430,927	7.531
Mr Gilbert Charles George	1,182,788	6.225
Colbern Fiduciary Nominees Pty Ltd	607,102	3.195
Rope Communications Pty Ltd <Tim Rosser Super A/C>	167,000	0.879
Ms Ya Qin Zhai & Mr John Wu-Yi Zhuang <Johninfo Employees S/F A/C>	147,852	0.788
Ricco Enterprises Pty Ltd <Mega Investment A/C>	124,805	0.657
Chipingi Pty Ltd <Bromley Family A/C>	120,000	0.632
Mr Gilbert Charles George & Mrs Brooke Samantha George <Gilbert George S/F A/C>	112,000	0.589
Mr Gregory John Bromley & Mrs Caroline Muriel Bromley <Bromley Super Fund A/C>	80,000	0.421
Mr Angelo Francesca & Mrs Anna Francesca <A & A Francesca S/F A/C>	65,409	0.344
Kantian Holdings Pty Ltd <Pettit Super Fund A/C>	56,041	0.295
Sydney Subdivision Pty Ltd <Pension Fund A/C>	56,000	0.295
Mr Kenneth Malcolm Pettit	46,000	0.242
Corsair Investments Pty Ltd <Corsair A/C>	32,000	0.168
George Taylor	30,400	0.160
Chaffey Investments (WA) Pty Ltd <Chaffey Super Fund A/C>	30,000	0.158
JP Morgan Nominees Australia Limited <Cash Income A/C>	25,800	0.136
Nefco Nominees Pty Ltd	23,087	0.122
TOTAL	18,849,959	99.220

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

INTEREST IN MINING TENEMENTS:

Tenement Number	Project	Locality	Status	Interest %
M29/257	Bulga Downs	Mount Forrest - Bulga Downs	Granted	100
M29/258	Bulga Downs	Mount Forrest - Bulga Downs	Granted	100
M29/314	Bulga Downs	Mount Forrest	Granted	100
M29/348	Bulga Downs	Toucan - Bulga Downs	Granted	100
M29/349	Bulga Downs	Macaw North - Bulga Downs	Granted	100
M29/350	Bulga Downs	Macaw - Bulga Downs	Granted	100
M29/351	Bulga Downs	Bulga Downs	Granted	100
E70/2518	Yilgarn-Avon MORTLOCK	Meenar	Granted	53
E70/2519	Yilgarn-Avon MORTLOCK	Goomalling	Granted	53
E70/2520	Yilgarn-Avon MORTLOCK	Goomalling - Hulongine	Granted	53
E70/2521	Yilgarn-Avon MORTLOCK	Jurakine	Granted	53
E70/2668	Yilgarn-Avon MORTLOCK	Botherling	Granted	53
E70/3266	Yilgarn-Avon MORTLOCK	Canternatting Pool	Granted	53
E70/3480	Yilgarn-Avon MORTLOCK	Cunderdin	Granted	53
E70/3481	Yilgarn-Avon MORTLOCK	Goomalling	Granted	53
E70/3482	Yilgarn-Avon MORTLOCK	Grass Valley/Avon	Granted	53
E70/3483	Yilgarn-Avon MORTLOCK	Karrabein	Granted	53
E70/3616	Yilgarn-Avon MORTLOCK	Hulongine	Granted	53
E70/3617	Yilgarn-Avon MORTLOCK	Youloning	Granted	53
E70/3820	Yilgarn-Avon MORTLOCK	Grass Valley/Avon	Granted	53
E77/1336	Yilgarn-Avon MUKINBUDIN	Mukinbudin	Granted	53
E70/2986	Yilgarn-Avon MUKINBUDIN	Mukinbudin	Granted	53
E70/2920	Yilgarn-Avon MUKINBUDIN	Bonnie Rock	Granted	53
E77/1337	Yilgarn-Avon MUKINBUDIN	Mukinbudin	Granted	53
E77/1405	Yilgarn-Avon MUKINBUDIN	Jinadarra	Granted	53
E70/3661	Yilgarn-Avon MUKINBUDIN	Mukinbudin	Granted	53
E70/3662	Yilgarn-Avon MUKINBUDIN	Mukinbudin	Granted	53
E77/1709	Yilgarn-Avon MUKINBUDIN	Nierguine	Granted	53
E77/1710	Yilgarn-Avon MUKINBUDIN	Geeranning	Granted	53
E70/3887	Yilgarn-Avon MUKINBUDIN	Mukinbudin	Granted	53

MINDAX LIMITED – ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

Tenement Number	Project	Locality	Status	Interest %
E77/1918	Yilgarn-Avon MUKINBUDIN	Jinadarra	Application	N/A
E70/4062	Yilgarn-Avon MUKINBUDIN	Donnington Hill	Application	N/A
E70/3039	Yilgarn-Avon QUAIRADING	Brookton	Granted	53
E70/3040	Yilgarn-Avon QUAIRADING	South Kellerberrin	Granted	53
E70/3168	Yilgarn-Avon QUAIRADING	Quairading	Granted	53
E70/3165	Yilgarn-Avon QUAIRADING	Yenyenning Lakes	Granted	53
E70/3171	Yilgarn-Avon KELLERBERRIN	Doodlakine	Granted	53
E70/3178	Yilgarn-Avon KELLERBERRIN	Belka North	Granted	53
E70/3641	Yilgarn-Avon KELLERBERRIN	Kellerberrin	Granted	53
E51/1034	Meekatharra North	Sherwood	Granted	53
E29/809	Freds Bore	Panhandle Bore	Granted	100
L57/38	Mt Forrest Water Licence	Bulga Downs	Application	N/A
L57/39	Mt Forrest Water Licence	Yuinmery	Application	N/A
L29/102	Mt Forrest Water Licence	Menzies Sandstone Road(Perrinvale)	Application	N/A
L30/52	Mt Forrest Water Licence	Evanstone Menzies Road (Riverina)	Application	N/A
L29/85	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L29/86	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L29/87	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L29/88	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L29/89	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L29/90	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L30/45	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L30/46	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L30/47	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L29/107	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L29/103	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L29/104	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A
L29/108	Mt Forrest to Menzies Corridor	Menzies Sandstone Road	Application	N/A