# MINDAX LIMITED

## ANNUAL REPORT 2012 | 2013

## BUILDING MOMENTUM THROUGH PERFORMANCE

IRON ORE GOLD URANIUM COPPER

MINDAX LIMITED

Australian Company Number
106 866 442

# CORPORATE DIRECTORY

## DIRECTORS

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

## COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

**Christopher Pougnault**

## DOMICILE AND COUNTRY OF INCORPORATION

Australia

## PRINCIPAL AND REGISTERED OFFICE

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West Perth WA 6005

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West Perth WA 6872

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Facsimile (08) 9485 2500
Email info@mindax.com.au

## WEBSITE

www.mindax.com.au

## AUDITORS

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

## SHARE REGISTRY

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

## BANKERS

**Commonwealth Bank**
1254 Hay Street
West Perth WA 6005

**Westpac Banking Corporation**
465 Scarborough Beach Road
Osborne Park WA 6017

## STOCK EXCHANGE LISTING

Shares in Mindax Limited are quoted on the Australian Securities Exchange.

ASX code: MDX (fully paid ordinary shares)

# CONTENTS



# CHAIRMAN'S REPORT

Dear Shareholder,

The 2012/13 year has been one of considerable progress in a stable Corporate environment for Mindax, subsequent to the events which occupied the Company in the last half of 2011/12.

## CORPORATE

In July 2012,the Company appointed Dr Stephen Ward as Managing Director and CEO. Mr John Stacpoole resigned as a non-executive director in August 2012 to take on a full time executive role elsewhere. The Board also welcomed Mr Yonggang Li as a non-executive director in April 2013.

During the year, Mindax successfully raised over $5.7 million to ensure its project portfolio – especially the key Mt Forrest Iron Ore Project - continued to advance.

This was an outstanding achievement given the difficult market experienced by junior companies in the exploration and mining sector.

Other important corporate highlights included the completion of a joint venture and farm-in arrangement for our Meekatharra North Gold Project, and the announcement of a Memorandum of Understanding for development of the Mt Forrest Project with Hong Kong – based Perpetual Mining Holding Limited (PMHL).

## PROJECTS

The Mt Forrest Project remains the most advanced and important asset of the Company, and considerable progress has been made in terms of advancing the project. Once consummated, it is anticipated that the JV/farm-in agreement with PMHL will fully fund the project to the commencement of production of a small direct-shipping ore operation.

We continue to be an active member of the Yilgarn Iron Producers' Association (YIPA) which has focussed closely on the proposed expansion of Esperance Port and related logistics infrastructure necessary for extra production from the Yilgarn.

The market for iron ore remains buoyant due to a weakening Australian dollar, continued strength in China, and the recovery of the German, Japanese and US economies. Recent announcements of deferral of some new projects in Western Australia, and longer than anticipated lead times for new projects in other countries will create more positive near term market dynamics. While there will be short term corrections, the medium term outlook for iron ore remains very positive.

The Meekatharra North Gold Project is fully funded until 2015 via a deferred farm-in/farm-out arrangement with Messrs Zhensheng and Chenfei Zhuang; and our extensive exploration program resulted in the very encouraging intercepts announced on September 10 of this year. The results confirm our view that the mineralized structures hosting Doray Minerals' resource extend into Mindax's tenements.

While the market for uranium continues to be affected by the aftermath of the Fukushima Tsunami and nuclear accident, Mindax has consolidated its uranium holdings, with drilling in July of this year confirming the potential of the prospects in the Mukinbudin region. The longer term view of the nuclear power market is that it will continue be a significant part of the energy mix especially as the move to reduce carbon intensive (oil and coal) fuels in the power generation industry gains momentum.

I would like to thank my fellow directors including Managing Director Steve Ward for their support during the year and particularly I would like to acknowledge the significant contributions made by our dedicated and expert staff.

Finally, the ongoing support of our shareholders, as we move from explorer to producer, is very much appreciated.

Kind regards

**Gilbert George**
Chairman

# MESSAGE FROM MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

I am delighted to provide some commentary for this Annual Report to Shareholders.

I am pleased to report that the Company has moved ahead and made some significant progress with its projects at a time when financial markets are very challenging for junior companies.

It has been very satisfying to carry out notable field work on each of our key commodity projects. We have obtained a number of encouraging results which are covered in some detail in the annual financial report.

The increased project work has been made possible by funds from successful capital raisings and from the new farm-in joint venture arrangement for our Meekatharra North Gold project. We are very appreciative of the financial support we have received. I thank all our shareholders and strategic partners for their ongoing support.

The signing of a memorandum of understanding with Perpetual Mining Holding Limited of Hong Kong for a proposed joint venture for our flagship Mt Forrest Iron Project has been a major event. Final negotiations for a formal joint venture agreement are in progress. A successful conclusion to these negotiations will be a 'game changing' event for the Company. The joint venture will fast track the Project to production and propel the Company to become one of the first new iron ore producers in the Yilgarn region.

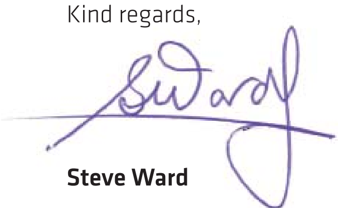
Looking forward to next year, our focus will remain on our existing projects. The results and developments from this year's work provide us with more determination to drive each of the projects along the development pathway and in doing so create shareholder value.

I would like to express my thanks to the Board for their continued support and wise counsel. I would also like to acknowledge the small, but totally dedicated and loyal team of Mindax staff, consultants and contractors. We have a very professional, expert and flexible team who are very mindful of the need to control costs and spend money wisely and to great effect in these challenging times.

**THE COMPANY HAS MOVED AHEAD AND MADE SOME SIGNIFICANT PROGRESS WITH ITS PROJECTS AT A TIME WHEN FINANCIAL MARKETS ARE VERY CHALLENGING FOR JUNIOR COMPANIES.**

Finally, I must mention that we take our responsibilities under safety, environment and governance with the utmost priority. The launching of the new Sustainability Framework was an important step in this regard. It was also pleasing to report no lost time or medical treatment injuries and no environmental incidents for the year. Other matters are described in detail in other sections of this report.

Kind regards,



**Steve Ward**

Managing Director and Chief Executive Officer

# HIGHLIGHTS

## 1 Sustainability

Sustainability framework launched. Safety management system updated.

## 2 No lost time

No lost time or medical treatment injuries to staff or contractors. No environmental incidents.

## 3 Successful capital raisings

Successful capital raisings in challenging financial markets. $5.7M obtained to fund company activities.

## 4 Project work ramped up

Project work ramped up after period of approximately 18 months of relative inactivity due to funding constraints and internal change. Field work undertaken on each of the four key commodity projects for iron ore, gold, uranium and copper. Several encouraging results.

## 5 $2.5 million funding secured

Joint Venture (deferred farm-in/farm-out arrangement) formed for the Meekatharra North Gold project. $2.5 million funding secured for next three years to advance the project.

## 6 Potential

MOU with Perpetual Mining Holding Limited (PMHL) of Hong Kong signed for potential joint venture for Mt Forrest Iron Project. PMHL completed due diligence and final negotiations are in progress. Joint venture is designed to fast track the project to initial production and would be a significant step forward.

## 7 Stability

Corporate stability after period of considerable change.

## 8 Appointments

New Managing Director & CEO appointed.

## 9 Good Corporate Governance

Continued focus on minimising costs and cost control and good Corporate Governance.

*Please refer to the Operations and Financial Review section of the Directors' Report for further details.*


KWL 1600H
DRILLING RIG

# CORPORATE OVERVIEW

## THE COMPANY

Mindax Limited (Mindax or the Company) was listed on the ASX at the end of 2004 and is now in its ninth year of operation.

The Company headquarters is in Perth, Western Australia and has approximately 550 shareholders with 252 Million ordinary shares on issue.

The Company has four projects for key commodities iron ore, gold, copper and uranium. All projects are located in Western Australia.

Mindax's strategy is to progress these projects along the development pathway ultimately to production and in doing so reward shareholders well.

The projects are at different phases of development. The most advanced is the flagship Mt Forrest Iron Project where a scoping study has been completed and is now being optimised. The Uranium Project is at a targeted exploration stage; with the Copper and Gold Projects being green field exploration in nature.

The Company has an excellent track record as a minerals explorer. Through technically advanced exploration and an eye for detail, Mindax has successfully built a significant portfolio of iron, uranium, copper and gold mineral exploration and mining tenements covering over 4,000 square kilometers. In addition, Mindax has applications in place for water and infrastructure covering over 2,400 square kilometers in support of the Mt Forrest Iron Project development.

Mindax has achieved a significant iron discovery at Mt Forrest with a resource inventory now at 1.7 billion tonnes. Our uranium discovery near Mukinbudin in Western Australia is highly prospective and a maiden resource of 3.2 million pounds was announced in November 2011.

Following the successful phase of exploration in which the four key commodity projects were identified, the Company is now focusing on development programs for each of these projects. This new phase of activity will require significant additional funds. The Company has been successful in raising funds on equity markets and via the formation of joint ventures for its projects with suitable strategic partners. Forward funding remains an area of particular focus.

## PROJECT SUMMARY

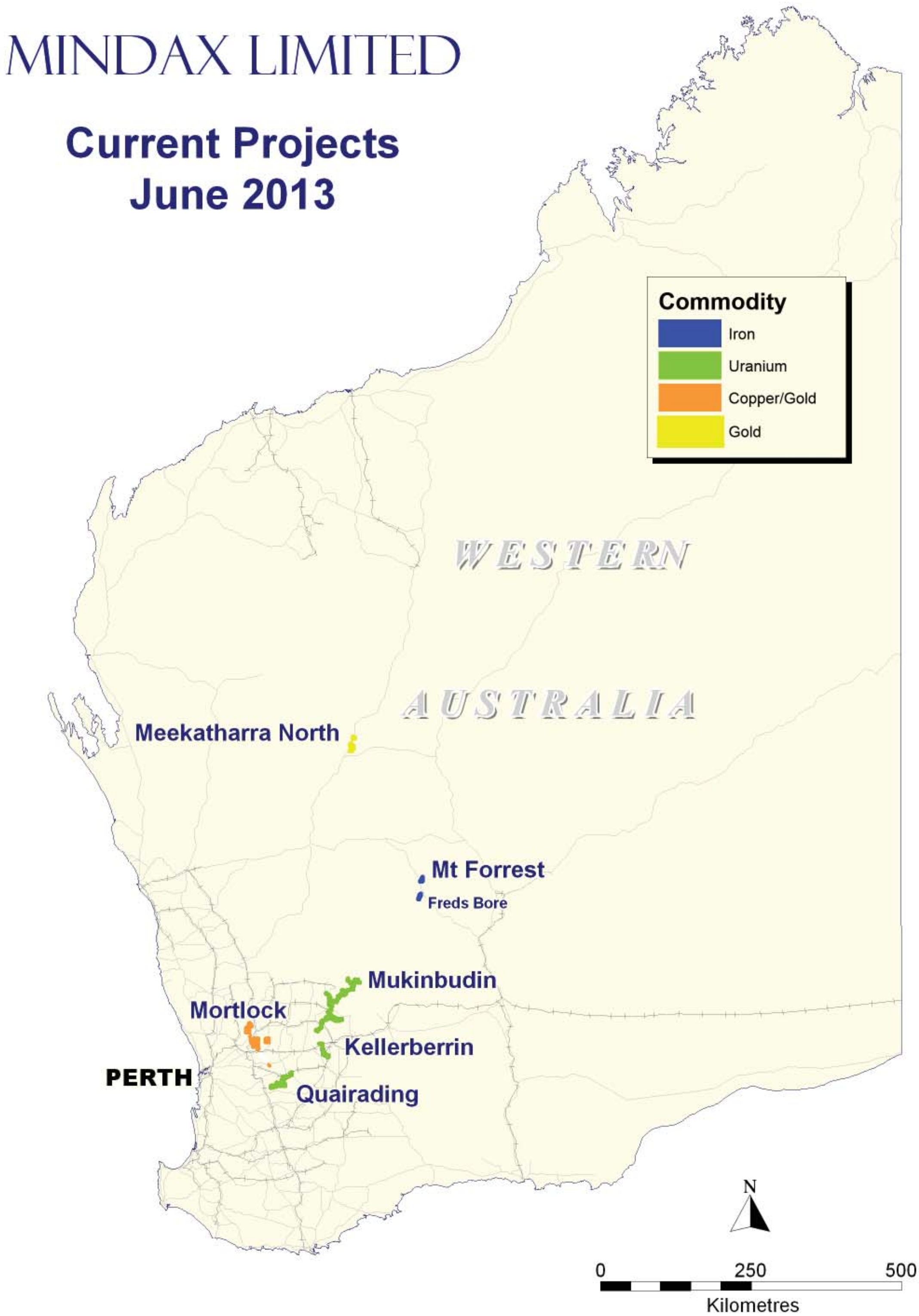
Mindax's has four projects for key commodities:

1. **Mt Forrest Iron Project,** which is located 165 km northwest of Menzies Western Australia. The iron resource stands at 1.7Bt (JORC inferred and indicated) comprising hematite, goethite, martite, micro-platy hematite and magnetite. The Company is in advanced discussions with Perpetual Mining Holding Limited (PMHL) of Hong Kong regarding the potential formation of a joint venture for this project.

2. **The Yilgarn – Avon Joint Venture (YAJV) Uranium Project** near Mukinbudin in the south west of WA is an area highly prospective for Uranium and an initial resource of 3.2 Million pounds (JORC Inferred) has been recorded. Mindax owns approximately 81% of the YAJV. Quasar, who operates the Beverley Uranium mine in South Australia, is the strategic partner.

3. **The Meekatharra North Gold project** which is 40 km to the north east of Meekatharra in Western Australia. The Company has highly prospective ground adjacent to Doray Minerals Andy Wells gold project which commenced operations in 2013. A joint venture (deferred farm-in/farm-out arrangement) for this project was formed in 2012 with strategic investors Messrs Zhuang.

4. **The Mortlock Copper / Gold Project,** which is located to the north of Northam in Western Australia and is is part of the YAJV with Quasar. Some tenements are also jointly owned by the YAJV and SIPA Resources Limited.


MINDAX LIMITED
Current Projects
June 2013
Commodity
Iron
Uranium
Copper/Gold
Gold
WESTERN
AUSTRALIA
Meekatharra North
Mt Forrest
Freds Bore
Mukinbudin
Mortlock
Kellerberrin
PERTH
Quairading
N
0
250
500
Kilometres

# 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 entrepreneurism, 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 now transitioning to be a project developer and eventual producer. 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 (Commonwealth) (**the Corporations Act**), 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 as the Company evolves, 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 all 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 Chief Financial Officer and 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.

## BOARD MEMBERS POSSESS COMPLIMENTARY BUSINESS DISCIPLINES AND EXPERIENCE ALIGNED WITH THE COMPANY OBJECTIVES.

EXPERIENCE

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 and Chief Executive Officer (**CEO**). The Managing Director and CEO's performance is reviewed annually by the other non-executive Board members. The Chairman is also 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 six member Board comprising one executive director and five non-executive directors, including the Chairman. The roles of Chairman and Managing Director are not combined. Four of the six directors reside in Australia, with two directors (Messrs Loh and Li) residing outside Australia. Mr Loh resides in Singapore and Mr Li in China.

The Group's Managing Director & CEO, Dr Ward is not considered independent by virtue of his executive role in the Group, neither are Messrs George, Chow and Loh by virtue of financial remuneration received as consultants during the previous four financial years or post financial year end. Mr Tsang is a substantial shareholder of the Company and is therefore not considered independent. Mr Li is not considered independent by virtue of the nature of his appointment, being nominated to the Board by three Mindax shareholders acting in association who control circa 19% of Mindax's issued capital. The Board has considered its materiality threshold in light of the Company's size and simplicity of the business 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/CEO's report, financial reports, strategic matters, governance, compliance and sustainability including 'Environment, Health and Safety' (**EH&S**).

Board members possess complimentary 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.

Where appropriate the Company will engage Board members as consultants to provide specialist input into Company matters.

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 has formed the following sub-committees, membership of which consists of non-executive directors:

a) Audit Committee (formed 2004) - currently comprising Messrs Loh, Chow and George;
b) Nominations committee (formed 2010) - comprises Messrs Tsang, Chow and George; and
c) Remuneration committee (formed 2004) - comprises Messrs Tsang, Chow and George.

The objective and purpose of each committee is to support and advise the Board in fulfilling its responsibilities to shareholders, corporate governance, and oversight responsibilities in relation to the company's financial reporting, internal control structure, external audit functions, recruitment of key management personnel (including directors) and monitoring levels of remuneration. In February 2013, the Board determined that operating two separate committees for Remuneration and Nominations was excessive and unnecessary; and as the membership of each of these committees was the same, the two committees were combined into a single Remuneration-Nominations Committee with effect 28 February 2013.

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 an induction programme 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 Annual General Meeting (**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 also conduct an evaluation of its performance. The Chairman is responsible for administering such evaluation; with the last evaluation undertaken during the period May - June 2013.

## 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 in 2010 and updated in September 2012. 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 programme. 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 programme.

*Anti-bribery and Commissions Policy*

Mindax has in place a formal policy on **"Anti-bribery and Commissions Policy"** which applies to all directors and employees and was formally adopted in September 2010.

Mindax believes that integrity and fair dealing are essential assets of the Group and this should be reflected in all activities. Each director and employee has a responsibility to ensure that the Group will not get involved in corruption or dealing with unsanctioned commissions.

Under the policy, no director or employee nor any other person representing the Group such as agents, suppliers, joint venture partners or others, may on any occasion, neither directly or indirectly, offer anything of value to any person that directly or indirectly represents a client or a supplier in order to gain an advantage or as a reward for a favour.

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

Mindax 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 (for example: 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.

Directors must advise the Company of any transactions conducted by them in the securities of the Company, in accordance with the Corporations Act 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 (noting that at 30 June 2013, 21% of Mindax's employees were 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 in due course establish measurable objectives in relation to diversity to monitor performance under the policy. At the present point in the Company's corporate development, given current the size and simplicity of the business, establishing such objectives will be implemented in stages as the Company evolves; particularly when director and senior executive positions become vacant and appropriately skilled candidates are available. Currently, engagement of employees (including in senior roles) is based on an applicant's skills, experience and ability to contribute to the Company in accordance with this policy.

## 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 CEO, and Chief Financial Officer ordinarily provide a certification to the Board on the integrity of the Company's external financial reports. The Managing Director and CEO, and Chief Financial Officer also 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*

As outlined above under Principle 2, the membership of the Audit Committee comprises Messrs Loh (Chair), George and 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 and the Audit Partner in charge of the audit of the Group's financial reports is rotated regularly in accordance with BDO Audit's quality control standards.

**MINDAX BELIEVES THAT INTEGRITY AND FAIR DEALING ARE ESSENTIAL ASSETS OF THE GROUP AND THIS SHOULD BE REFLECTED IN ALL ACTIVITIES.**

INTEGRITY

## 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 annual general 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 / CEO 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 and is also available for download from the Company's website.

*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).

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 six monthly basis to mitigate material risks identified from eventuating and to ensure a sound internal control system is in place; with the last review undertaken during the period May - June 2013. The Managing Director and CEO 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 a sound and effective risk management and internal control system had been adhered to and operated during the financial year ended 30 June 2013.

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 CEO and the 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

As outlined under Principle 2 above, the membership of the Remuneration-Nominations Committee comprises of Messrs Chow (Chair), George and Tsang.

Details of these directors' attendance at Remuneration-Nominations Committee meetings are set out in the Directors' Report.

The Remuneration-Nominations 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 remuneration 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 Remuneration-Nominations Committee also 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 BY THE BOARD AND COMMITTEES

Issues of substance are considered by the appropriate Board sub-committee and the Board with external advice from its professional advisers as required. The Board's individual members can also 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;
- Anti-bribery and Commissions Policy
- Securities Trading Policy;
- Diversity Policy; Continuous Disclosure Policy;
- Shareholder Communication Policy;
- Audit Committee Charter;
- Remuneration Committee Charter; and a
- Nominations Committee Charter.

The Company is non-compliant with the ASX Corporate Governance Principles and Recommendations with respect to the following:

- the majority of directors of the Board are not considered independent - for reasons stated under Principle 2: 'Structure The Board To Add Value'.
- the establishment of measurable objectives in relation to diversity – for the reasons stated under 'Workplace Diversity' under Principle 3: 'Promote Ethical And Responsible Decision Making'

Other corporate practices are compliant with the ASX Corporate Governance Principles and Recommendations and are subject to regular review. Your directors present their report for the financial year ended 30 June 2013.

The names of the directors in office at any time during, or since the end of, the year are set out in the table below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

# DIRECTORS' REPORT

| NAME | POSITION | APPOINTED/ RESIGNED |
|---|---|---|
| Gilbert George | Non executive Chairman | |
| Stephen Ward | Managing Director and Chief Executive Officer | (appointed 30 July 2012) |
| Andrew Tsang | Non executive Director | |
| Benjamin Chow | Non executive Director | |
| Kgai Mun Loh | Non executive Director | |
| Yonggang Li | Non-executive Director | (appointed 18 April 2013) |
| John Stacpoole | Non executive Director | (resigned 20 August 2012) |

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

| NAME | POSITION | APPOINTED/ RESIGNED |
|---|---|---|
| Christopher Pougnault | Company Secretary and Chief Financial Officer | |

## PRINCIPAL ACTIVITIES

During the year, the Group's principal activity was mineral exploration, which included project development studies.

## 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 and in the Operations and Financial Review, commencing on page 24.

## EVENTS SUBSEQUENT TO REPORTING DATE

### CONVERTIBLE NOTE

On 21 August 2013 the Company issued a Convertible Note for $600,000 to Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang. The terms and conditions of the Note are as follows:

- The Note is unsecured.
- The Note will not convert and it will be a condition precedent to its conversion into Shares that shareholder approval to its conversion be obtained as soon as practicable following the issue of the Note and in any event by not later than the Company's 2013 Annual General Meeting.
- The Note shall convert into ordinary fully paid shares at an issue price of $0.12 per share, immediately following the meeting at which shareholders approve the conversion.
- No interest will be payable on the Note unless shareholder approval to the conversion of the Note is not obtained on or before the Company's 2013 Annual General Meeting.
- Interest applicable (in the event of non-approval by shareholders) will accrue at the rate of 9% per annum, capitalised monthly from the date of issue of the Note until the date the Note is repaid.
- If not converted the face value of the Note is to be repaid on 31 January 2014.

### TENEMENT RELINQUISHMENTS

The partners of the YAJV, along with Sipa Exploration NL, determined that the following tenements associated with the Mortlock Project were no longer prospective and were relinquished by the Company on 9 September 2013. The capitalised exploration expenditure associated with these tenements has also been written off by the Company for financial year end purposes:

- E70/3480, E70/3481, E70/2518, E70/2519 and E70/2521

Other than disclosed above there are no other matters or circumstances that 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.

## INFORMATION ON DIRECTORS

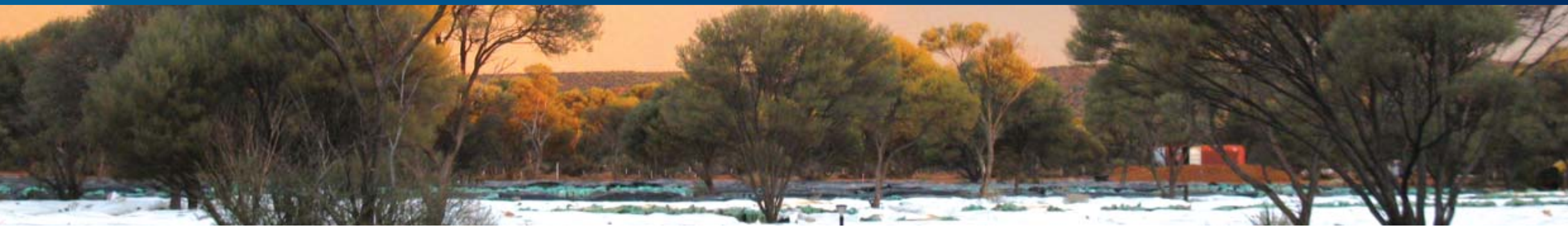
| **GILBERT GEORGE** NON EXECUTIVE CHAIRMAN | |
|---|---|
| EXPERIENCE | Gilbert joined the Board in 2004 in a non executive capacity and is the Chairman of the Board.<br>Gilbert, aged 63 years, has an honours degree in Agricultural Science, as well as a Masters Degree in Economics from a prestigious Japanese university. After working in Australia and Japan in Government positions, Gilbert established his own business development consultancy in 1988.<br>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.<br>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. |
| INTEREST IN SHARES AND OPTIONS AS AT 19 SEPTEMBER 2013 | 4,311,413 ordinary shares in Mindax Limited.<br>1,000,000 options exercisable at $0.11 each, expiring 10 December 2015. |
| SPECIAL RESPONSIBILITIES | Gilbert is a member of the Audit and Remuneration-Nominations Committees. |
| DIRECTORSHIPS HELD IN OTHER LISTED ENTITIES DURING THE THREE YEARS PRIOR TO THE CURRENT YEAR | Non-executive Chairman of Metals of Africa Limited (appointed 1 August 2012). |

| **STEPHEN WARD** | MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER |
|---|---|
| EXPERIENCE | Stephen (Steve) joined the Board as its Managing Director on 30 July 2012 and is also the Company's CEO.<br>Steve, aged 58 years, is a graduate from the University of Nottingham; BSc Chemistry (1976); PhD in Physical Chemistry (1979) and is a graduate of the Australian Institute of Company Directors (GAICD).<br>Steve gained 20 years broad experience with Titanium pigment producer Tioxide Group Ltd (formerly a subsidiary of ICI and now Huntsman Pigments) where he worked in production, operational, engineering and technical roles at the Australian production facility. He became the inaugural General Manager responsible for the development and start-up of Tioxide's manufacturing facilities in Malaysia in the early 1990's. He subsequently moved to business management roles based in the United Kingdom and became an executive director of the global company with general management responsibility for the European, Middle East and Southern Africa business unit.<br>He then spent 7 years with Australian publicly listed minerals sands producer Iluka Resources Limited where he was President of the USA mining and processing operations and global Executive General Manager responsible for sales, marketing and business development.<br>He then formed his own consulting business providing services to the resources and chemicals industries.<br>Steve subsequently joined Cristal, a Saudi Arabian based global titanium pigment producer as senior Vice-President Strategy and Development for a 3 year period.<br>Steve was appointed a non-executive director of Arafura Resources Limited in 2007 before he became Managing Director and CEO at the beginning of 2010. He left Arafura earlier in 2012 as part of a restructuring programme to pursue other opportunities. |
| INTEREST IN SHARES AND OPTIONS AS AT 19 SEPTEMBER 2013 | 4,000,000 options exercisable at $0.108 each, expiring 9 November 2015. |
| SPECIAL RESPONSIBILITIES | None. |
| DIRECTORSHIPS HELD IN OTHER LISTED ENTITIES DURING THE THREE YEARS PRIOR TO THE CURRENT YEAR | Managing Director of Arafura Resources Limited (resigned 16 February 2012). |

| **ANDREW TSANG** NON EXECUTIVE DIRECTOR | |
|---|---|
| EXPERIENCE | Andrew joined the Board in 2008 in a non executive capacity.<br>Andrew, aged 57 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 2013 | 48,139,543 ordinary shares in Mindax Limited.<br>500,000 options exercisable at $0.11 each, expiring 10 December 2015. |
| SPECIAL RESPONSIBILITIES | Andrew is a member of the Remuneration-Nominations Committee. |
| DIRECTORSHIPS HELD IN OTHER LISTED ENTITIES DURING THE THREE YEARS PRIOR TO THE CURRENT YEAR | Andrew is also a non-executive director of the listed company Diatreme Resources Limited (since 23 January 2009). |

| **BENJAMIN CHOW** NON EXECUTIVE DIRECTOR | |
|---|---|
| EXPERIENCE | Benjamin joined the Board in 2009 in a non executive capacity.<br>Benjamin, aged 67 years, is a distinguished Australian citizen who was born and educated in China, emigrating to Australia in 1962. He has a business background in engineering, property development and leadership in the Chinese and Australian financial sectors.<br>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. |
| INTEREST IN SHARES AND OPTIONS AS AT 19 SEPTEMBER 2013 | 196,000 ordinary shares in Mindax Limited.<br>500,000 options exercisable at $0.11 each, expiring 10 December 2015. |
| SPECIAL RESPONSIBILITIES | Benjamin is a member of the Audit Committee and Chair of the Remuneration-Nominations Committee. |
| DIRECTORSHIPS HELD IN OTHER LISTED ENTITIES DURING THE THREE YEARS PRIOR TO THE CURRENT YEAR | Benjamin was a Non-executive Director of the listed company Invocare Limited for the period 22 February 2007 to 16 August 2013. |

| **KGAI LOH** NON EXECUTIVE DIRECTOR | |
|---|---|
| EXPERIENCE | Kgai (known as Eric) joined the Board in 2012 in a non-executive capacity.<br>Eric is the Executive Director of Lion Asiapac Limited, a company listed on the Singapore Exchange, since August 2008. Lion Asiapac is a substantial shareholder of the Company.<br>He has a wealth of management experience including listed companies with multi-national operations. He has also been involved in strategic planning and has spearheaded numerous merger and acquisition projects.<br>Prior to 2008, he was the Group General Manager of Lion Asiapac Limited and oversaw operational, financial and management matters of the Lion Asiapac Group.<br>In 1998, Eric joined the Lion Group as the Financial Controller of the Group's telecommunications business unit. Concurrently, he also headed their internal audit and group information systems divisions in Singapore.<br>Eric holds a Master's Degree in Business Administration from the Edinburgh University Management School and is an Associate Member of the Institute of Chartered Accountant's in England and Wales. |
| INTEREST IN SHARES AND OPTIONS AS AT 19 SEPTEMBER 2013 | 500,000 options exercisable at $0.11 each, expiring 10 December 2015. |
| SPECIAL RESPONSIBILITIES | Eric is the Chairman of the Audit Committee. |
| DIRECTORSHIPS HELD IN OTHER LISTED ENTITIES DURING THE THREE YEARS PRIOR TO THE CURRENT YEAR | Executive Director since August 2008 of Lion Asiapac Limited, listed on the Singapore Stock Exchange. |



| **YONGGANG LI** NON-EXECUTIVE DIRECTOR | |
|---|---|
| EXPERIENCE | Yonggang was appointed to the Board on 18 April 2013 in a non-executive capacity.<br>Yonggang, aged 37 years, graduated in Electronic Accounting from Hebei Economic and Trade University in 1999.<br>From 1999 to 2001 he was the accountant and auditor for Zheng Xiang Accounting Firm Hebei province.<br>In 2001 he jointly established the Hebei Zhuxin Construction Company and was previously the Chairman.<br>In 2003 he jointly established the Shijiazhuang Zhengqian Construction Installation Engineering Company Ltd and the Hebei Jiangtai Construction Installation Engineering Company Ltd. He was previously the Chairman of both boards of directors.<br>In 2005 he joined with others to acquire Luanping Jinhuifeng Mining Company Ltd and was previously the Chairman.<br>In 2010 Yonggang jointly established Huihua Huimei Investment (Beijing) Company Ltd and is the current Chairman.<br>In 2011 he acquired a private mining company for dolomite iron ore in Xiaoying Village Luanping County. The company currently extracts 500,000 tonnes of 63% vanadium and titanium ore concentrate. |
| INTEREST IN SHARES AND OPTIONS AS AT 19 SEPTEMBER 2013 | Nil. |
| SPECIAL RESPONSIBILITIES | None. |
| DIRECTORSHIPS HELD IN OTHER LISTED ENTITIES DURING THE THREE YEARS PRIOR TO THE CURRENT YEAR | None. |

| **JOHN STACPOOLE** FORMER NON EXECUTIVE DIRECTOR | |
|---|---|
| EXPERIENCE | John was appointed to the Board in a non-executive capacity on 27 April 2012 and resigned on 20 August 2012 to take up a new full time executive role with a major contractor involved in the Iron Ore sector. His resignation was tendered to enable him to focus fully on his new role and ensure no personal conflict of interest arose. |
| INTEREST IN SHARES AND OPTIONS AS AT 20 AUGUST 2012 | Nil. |
| SPECIAL RESPONSIBILITIES | Nil. |
| DIRECTORSHIPS HELD IN OTHER LISTED ENTITIES DURING THE THREE YEARS PRIOR TO THE CURRENT YEAR | None. |

## INFORMATION ON THE COMPANY SECRETARY

| **CHRISTOPHER POUGNAULT** COMPANY SECRETARY | |
|---|---|
| EXPERIENCE | Christopher is a Chartered Accountant with over 20 years experience, working in areas including organisational strategy & operations, banking & finance, as well as corporate reconstruction of ASX listed companies. Christopher's broad range of professional and industry experience, including the mining and exploration sector, has provided him with an extensive understanding of business operations, financial management, commercial analysis and operational excellence.<br>His previous positions include senior appointments at Deloitte and Pitcher Partners.<br>Christopher holds a Bachelor of Commerce, Accounting and Corporate Administration from Curtin University of Technology.<br>Christopher is also a member of Chartered Secretaries Australia (CSA) and has completed the CSA's Certificate in Governance Practice.<br>Christopher is also the Chief Financial Officer of the Mindax Group. |
| INTEREST IN SHARES AND OPTIONS AS AT 19 SEPTEMBER 2013 | 200,000 ordinary shares in Mindax Limited.<br>500,000 options exercisable at $0.45 each, expiring 30 September 2013.<br>500,000 options exercisable at $0.60 each, expiring 30 September 2014. |

## MEETINGS OF DIRECTORS

During the financial year, 16 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

| | BOARD MEETINGS | | AUDIT COMMITTEE | | REMUNERATION AND NOMINATION COMMITTEE | |
|---|---|---|---|---|---|---|
| | Number eligible to attend | number attended | number eligible to attend | number attended | number eligible to attend | number attended |
| **Gilbert George** | 11 | 11 | 2 | 2 | 3 | 3 |
| **Stephen Ward** | 10 | 10 | n/a | n/a | n/a | n/a |
| **Andrew Tsang** | 11 | 11 | n/a | n/a | 3 | 3 |
| **Benjamin Chow** | 11 | 11 | 2 | 2 | 3 | 3 |
| **Kgai Mun Loh** | 11 | 9 | 2 | 2 | n/a | n/a |
| **Yonggang Li** | 2 | 2 | n/a | n/a | n/a | n/a |
| **John Stacpoole** | 1 | 1 | n/a | n/a | n/a | n/a |

There were also thirteen (13) circular resolutions passed by the Board of Directors during the financial year.

## RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

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

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

Mr Yonggang Li, who was appointed to the Board on 18 April 2013, and being eligible, 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 2013 to the date of this report, are as follows:

| GRANT DATE | DATE OF EXPIRY | EXERCISE PRICE $ | NUMBER UNDER OPTION |
|---|---|---|---|
| 11 October 2011 | 30 September 2013 | 0.45 | 1,100,000 |
| 11 October 2011 | 30 September 2014 | 0.60 | 1,100,000 |
| 1 May 2012 | 31 May 2015 | 0.35 | 2,321 |
| 9 November 2012 | 9 November 2015 | 0.108 | 4,000,000 |
| 10 December 2012 | 10 December 2015 | 0.11 | 2,500,000 |
| **Total** | | | **8,702,321** |

During the year ended 30 June 2013, 4 ordinary shares of Mindax Limited were issued on the exercise of options granted to shareholders.

During the year ended 30 June 2013, the following options over ordinary shares in Mindax Limited expired or lapsed without exercise:

| GRANT DATE | DATE OF EXPIRY/ LAPSED | 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 |
| 11 October 2011 | 31 May 2013 | 0.60 | 650,000 |
| 11 October 2011 | 31 May 2013 | 0.45 | 650,000 |
| **Total** | | | **1,850,000** |

## 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 advice was received during the 2012 – 2013 financial year. During the 2011 – 2012 financial year specialist taxation advice was provided to the Group by partners of BDO Corporate Tax (WA) Pty Ltd (a company associated with BDO Audit (WA) Pty Ltd) in relation to Mineral Resources Rent Tax matters.

| NON-AUDIT SERVICES | 2013 ($) | 2012 ($) |
|---|---|---|
| Mineral Resources Rent Taxation advice | - | 6,064 |
| Other | - | - |
| **Total** | **-** | **6,064** |

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 53 of the financial report.

# OPERATIONS AND FINANCIAL REVIEW

## REVIEW OF OPERATIONS - CORPORATE

*Meetings of Shareholders*

General Meeting - the Company convened a meeting of shareholders on 1 November 2012 to consider the ratification of the allotment and issue of shares; as well as seeking approval for the issue of unlisted options to the Company's Managing Director & CEO. All resolutions put to the meeting were unanimously passed on the requisite show of hands.

2012 Annual General Meeting - the Company convened the 2012 Annual General Meeting of shareholders (AGM) on 30 November 2012 to consider the Company's financial accounts, the directors' remuneration report, the re-election of directors, the allotment and issue of shares & options and the conversion of a Convertible Note. All resolutions put to the meeting were passed on the requisite show of hands.

2013 Annual General Meeting – the Company's 2013 AGM will be held on Thursday, 14 November 2013 at 1:30pm (WST) in West Perth, Western Australia. Notice of the AGM will be distributed to shareholders in due course in accordance with the Corporations Act.

*Fund Raisings - Equity*

During the financial year the Company undertook the following placements to new and existing sophisticated and professional investors:

| DATE OF PLACEMENT | NUMBER OF SHARES | PRICE PER SHARE | GROSS SETTLEMENT VALUE |
|---|---|---|---|
| 6 September 2012 | 8,000,000 | $0.085 | $680,000 |
| 3 December 2012 | 29,492,537 | $0.085 | $2,506,866 |
| 11 January 2013 | 16,500,000 | $0.10 | $1,650,000 |
| 7 February 2013 | 5,000,000 | $0.10 | $500,000 |
| **Totals** | **58,992,537** | **$0.0925 (MEAN)** | **$5,336,866** |

The 2012 placements were approved by shareholders at general meetings and the 2013 placements were issued under the Company's 15% placement capacity. Monies raised from the placements were used to fund the Company's exploration programmes (which included project development studies) and for working capital.

Subsequent to the above placements, on 3 April 2013, the Company was notified by two of its substantial shareholders that they, along with a third non-substantial shareholder, were to be considered 'associates' in relation to Mindax's affairs. The associated shareholding is summarised as follows:

| NAME | NO OF SHARES | % OF ISSUED CAPITAL |
|---|---|---|
| Mr Qi Lin | 5,900,000 | 2.34% |
| Mr Chenfei Zhuang | 19,844,956 | 7.87% |
| Mr Zhensheng Zhuang | 23,295,522 | 9.23% |
| **Total** | **49,040,478** | **19.44%** |

The above three shareholders participated in one or more of the 2012 placements and the January 2013 placement summarised above.

*Fund Raisings – Convertible Note*

On 27 September 2012 the Company issued a Convertible Note for $399,000 to Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang. Following shareholder approval received at the Company's 2012 AGM, the Company converted the Note into 4,694,118 fully paid ordinary shares at $0.085 per share.

*Exercise of Unlisted Options*

During the financial year the Company received instructions from shareholders to exercise the following options:

| DATE | NO OF OPTIONS | EXERCISE PRICE | OPTION EXPIRY DATE | ASX CLASS ID |
|---|---|---|---|---|
| 20 December 2012 | 2 | $0.35 per option | 31 May 2013 | MDX7751 |
| 21 June 2013 | 2 | $0.35 per option | 31 May 2013 | MDX7751 |

*Unlisted Options – Lapsed and Expired*

The following unlisted options issued by the Company expired/lapsed during the financial year without exercise:

1. 250,000 unlisted employee options (MDX7742) with an exercise price of $0.53 each, expired on 1 August 2012.
2. 300,000 unlisted employee options (MDX7744) with an exercise price of $0.48 each, expired on 12 October 2012.
3. 650,000 unlisted employee options (MDX7748) with an exercise price of $0.45 each, lapsed on 31 May 2013.
4. 650,000 unlisted employee options (MDX7749) with an exercise price of $0.60 each, lapsed on 31 May 2013.

There are currently no listed options issued by the Company.

*Issue of Options to Directors*

On 9 November 2012 the Company issued 4,000,000 unlisted options exercisable at $0.108 per option and expiring on 9 November 2015 to the Ward Family Trust, being a party nominated by the Managing Director and CEO of the Company, Dr Steve Ward. The unlisted options were issued pursuant to Dr Ward's employment agreement following shareholder approval received at a general meeting held on 1 November 2012.

On 10 December 2012 the Company issued 2,500,000 unlisted options exercisable at $0.11 per option and expiring on 10 December 2015 to non-executive directors pursuant to shareholder approval received at the Company's 2012 Annual General Meeting, summarised as follows:

- 1,000,000 options to a party nominated by Mr Gilbert George, being the Gilbert George Superannuation Fund;
- 500,000 options to a party nominated by Mr Benjamin Chow, being Sydney Subdivision Pty Ltd;
- 500,000 options to Mr Andrew Tsang; and
- 500,000 options to Mr Loh Kgai Mun.

*Executive and Board Movements*

On 30 July 2012, the Company appointed Dr Steve Ward as the Company's new Managing Director and CEO following an extensive search and recruitment process. Steve has over 30 years' experience in the mining, minerals processing and chemicals industries and has significant Board and business leadership experience.

On 20 August 2012, non-executive director Mr John Stacpoole tendered his resignation from the Company and accepted a new full time executive role with a major contractor involved in the Iron Ore sector. Mr Stacpoole's resignation was tendered to enable him to focus fully on his new role and ensure no personal conflict of interest arose.

On 18 April 2013, the Company appointed Mr Yonggang Li as a non-executive director to its Board. Mr Li was nominated by the aforementioned group of associated Mindax shareholders (being Messrs Zhuang and Lin, set out on page 25). Mr Li is a widely experienced Chinese businessman who has significant exposure to iron ore mining and the Chinese market in general. Mr Li was appointed with immediate effect and will offer himself for election at the Company's 2013 AGM.

On the same date, Mr Li appointed Mr Chenfei Zhuang as his alternate director. Mr Zhuang is currently a substantial shareholder in Mindax and a JV partner with Mindax in the Meekatharra North Gold Project (see below). However, on 29 June 2013 Mr Li terminated Mr Zhuang's appointment as Mr Li felt he could now personally dedicate the time required in full for his directorial responsibilities to the Company.

*Strategic Partnership - Mt Forrest Iron Project*

On 26 March 2013 the Company announced that it and its wholly owned subsidiary, Yilgiron Pty Ltd, proposed to form a strategic partnership with Hong Kong's Perpetual Mining Holding Limited (PMHL) for the Mt Forrest Iron Project.

## MINDAX'S STRATEGY IS TO BUILD A MINING HOUSE FOR KEY COMMODITIES TO REWARD SHAREHOLDERS WELL.

REWARD

A non-binding Memorandum of Understanding (MOU) was signed by the parties to cover the terms in which PMHL will acquire up to 51% interest in the Project's Direct Shipping Ore (DSO) rights and up to 49% in the Project's Magnetite rights by spending up to circa $52M by way of farm-in to fast track the development of the Mt Forrest Iron Project.

PMHL was also granted exclusivity to undertake due diligence which commenced early April. For this exclusivity, PMHL paid Mindax $250,000 during the period of due diligence. Following their due diligence and review by their board, PMHL issued a formal notice advising of their agreement to proceed with the joint venture transaction.

The proposed joint venture transaction remains subject to negotiation and execution of a binding formal joint venture agreement as well as any statutory approvals required to proceed with the strategic partnership. In this regard, joint venture agreement negotiations have commenced (and are continuing as at the date of this report) taking into consideration the MOU previously agreed between PMHL and Mindax.

### *Strategic Partnership – Meekatharra North Gold Project*

On 10 October 2012, the Company entered into a Deferred Farm-in/Farm-out Agreement with Mr Chenfei Zhuang and Mr Zhensheng Zhuang. At the time of the agreement, Mr Chenfei Zhuang was an existing shareholder (of circa 1.2%) in the Company.

The arrangement will allow Messrs' Zhuang to earn 51% of the Meekatharra North Gold Project by expending a minimum of $2.5M over 3 years from October 2012. Messrs' Zhuang were required to spend $500,000 by August 2013 (which was completed) before the first opportunity to withdraw. As at the date of this report planning is underway for the next phase of exploration on the project.

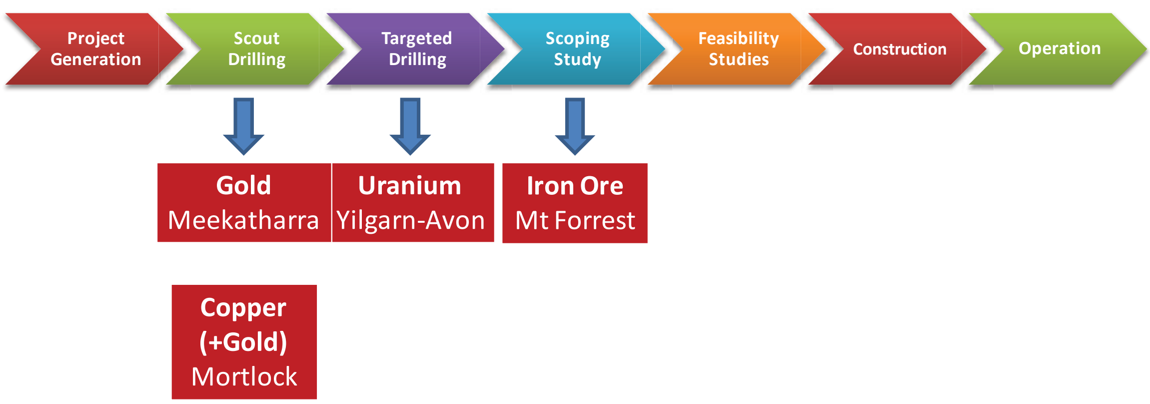
Mindax will continue to manage the tenement and provide technical expertise during the earn-in period. Please refer to section below for a review of the exploration programme undertaken for the Meekatharra North Gold Project.

## REVIEW OF OPERATIONS - STRATEGY

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

During the financial year, the Company continued to build on previous exploration successes with further exploration drilling and project development activities. This work was focused exclusively on existing projects with the objective to progressively move these along the development pathway towards full production and in doing so increase shareholder value. Details of progress are given in the Project Review section, commencing on page 29.

The current status for each is graphically demonstrated below:



# OPERATIONS AND FINANCIAL REVIEW

Akey focus is to secure appropriate strategic partners for each project. Funding contributions from partners are then used for project development. Consistent with this approach, there have been two significant moves forward – as set out on the previous page a farm-in/farm-out arrangement for the Meekatharra North Gold Project was finalised in October 2012 and discussions for a joint venture for the Mt Forrest Iron Project are well advanced.

Despite challenging financial markets, it was also possible to raise funds via equity issues and convertible notes to support the Company's activities, with the Company raising circa $5.7M during the financial year.

## REVIEW OF OPERATIONS – SUSTAINABILITY

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

The Company undertook a comprehensive review of its approach to sustainability. This resulted in the launch of a new Sustainability Framework to complement the existing activities in other corporate areas noted above *(see Figure 1).*

The Sustainability Framework covers the key activities of Safety, Health, Environment, Use of Resources, Product Stewardship, Communities and Heritage.

Considerable effort was undertaken to update and augment the Company's safety management system to ensure current requirements are catered for and future needs can be added when required. The upgraded safety management system was independently audited against recognised Australian and New Zealand Standard AS/NZS 4801. A compliance rating of 74% was achieved which falls within the category: "(64% to 85%) systems and procedures are satisfactorily developed, implemented and effective". The highest category rating can be achieved in a few months time when there is demonstrable evidence that some new procedures have routinely been used over a satisfactory period of time. Prior to the safety management system upgrade, the compliance rating was 38%.

There was no lost time or medical treatment injuries to staff or contractors.

The Company has developed procedures to meet our regulatory requirements for current activities. No environmental breaches of license conditions or other environmental regulations have occurred.


*Figure 1:* Mindax Sustainability Framework

A CONSIDERABLE AMOUNT OF FIELD WORK FOR THE FIRST TIME FOR APPROXIMATELY 18 MONTHS, SAW A NUMBER OF VERY ENCOURAGING RESULTS.

ENCOURAGING

## REVIEW OF OPERATIONS –PROJECTS

### Overview

Mindax retained its portfolio of key commodity projects for iron ore, uranium, gold and copper. All projects are located in Western Australia (Please refer to Figure 2).

Following successful capital raisings in December 2012 and January 2013 and finalisation of a Deferred Farm-in/Farm-Out Arrangement for the Meekatharra North Gold Project in October 2012, the Company had sufficient funds to make notable progress on each of its projects. This included a considerable amount of field work for the first time for approximately 18 months, with a number of very encouraging results.

Significant progress has been made towards the formation of a joint venture for the Mt Forrest iron ore project. Final negotiations with PMHL are in progress.

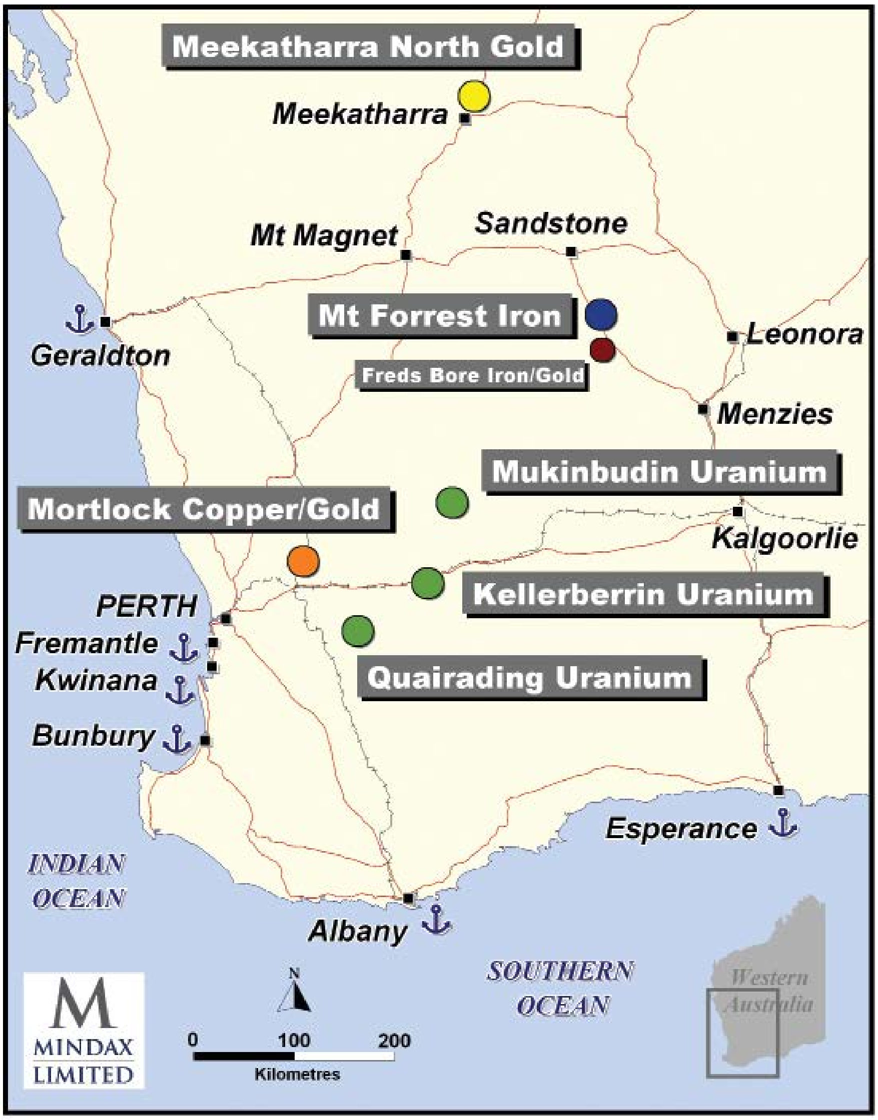



*Figure 2:* Project location overview map

The Company continues to define clear development pathways for each of its projects to generate best shareholder value. The commercial and technical work completed in the past 12 months has advanced each project well.

Mindax continues to hold an extensive tenement portfolio comprising 52 tenements for 4,613 $km^2$ (refer to the summary on page 41) and project expenditure has allowed priority tenements to remain in good standing. A small number of tenements were assessed as having low/nil prospectivity and were surrendered.

## PROJECT SUMMARY

### 1) Mt Forrest Project (Iron Ore)

The Mt Forrest Project (Figure 3), wholly owned by Mindax through its subsidiary Yilgiron Pty Ltd, is situated 165 km from line of rail at Menzies and some 645 km from Esperance port. On this project the Company has built up a significant iron ore inventory, with the JORC mineral resource currently standing at 1.71 billion tonnes of primary magnetite ore grading 31.8% Fe and 12.3 Mt of regolith (haematite/goethite) mineralisation (refer to the "Mineral Resource Summary" on page 42 for resource details). Results of a Scoping Study were released in April 2012.

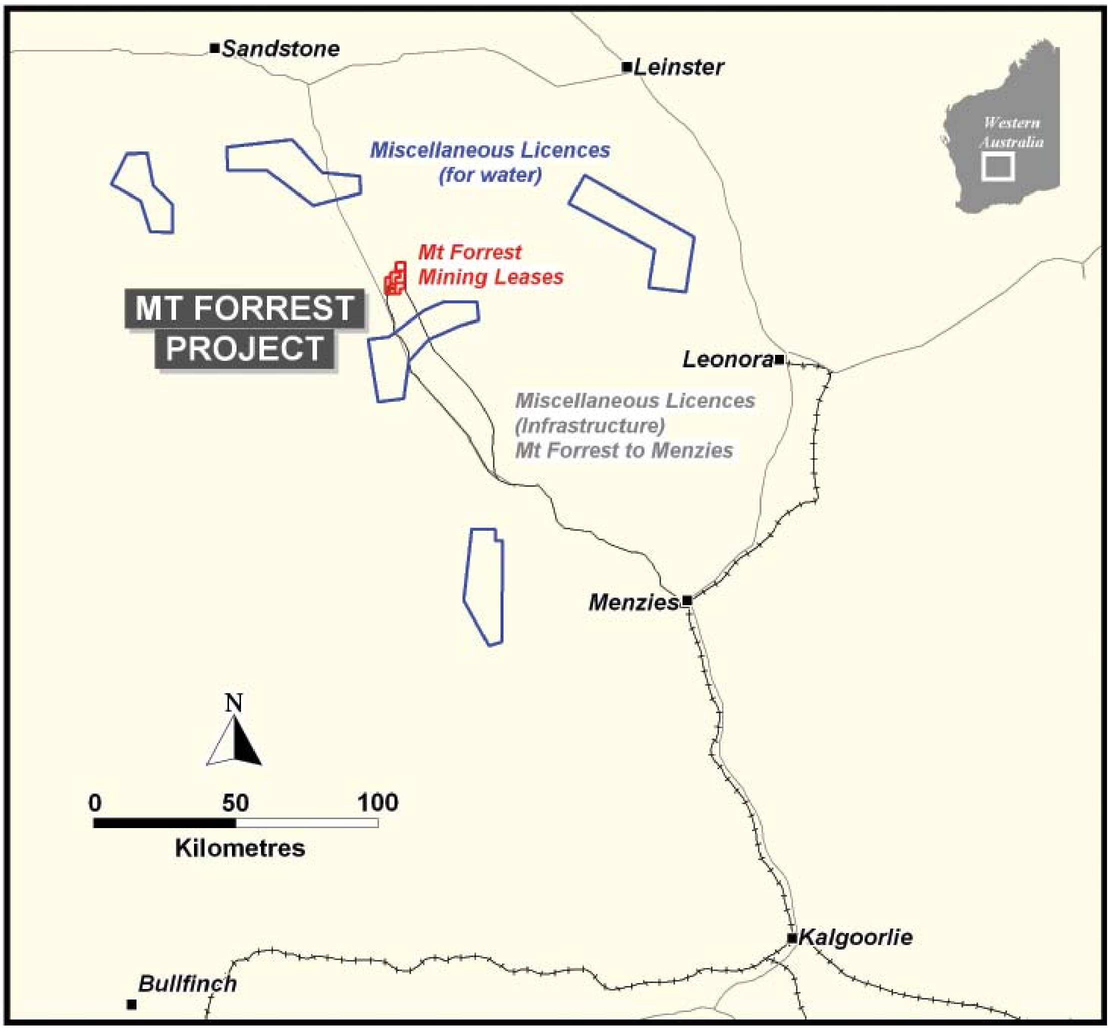
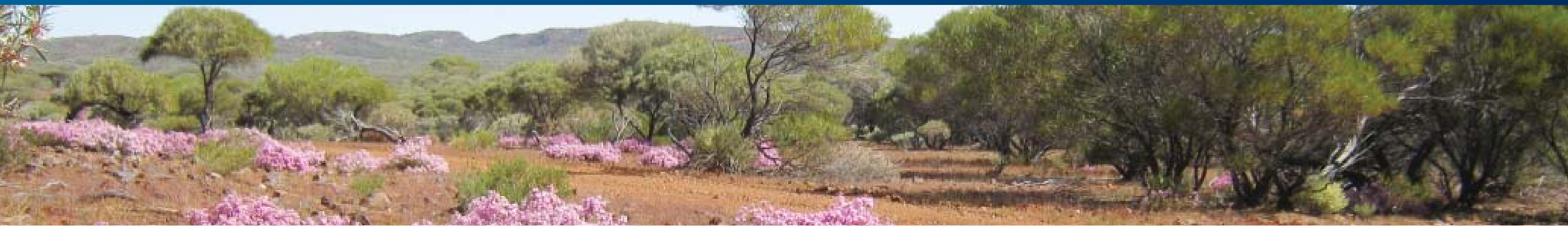



*Figure 3:* Mt Forrest project location map



Technical work has focussed on developing an Optimised Scoping Study for Direct Shipping Ore (DSO). The objectives are to increase annual output, extend mine life, reduce operating costs and stage capital requirements to improve project financial returns. A key component of this work is to increase the suitable iron ore inventory and in doing so be able to devise a Conceptual Production Schedule which enables the material which is easiest to process to be exploited first. A summary of the work undertaken is given below.

## IRON RESOURCE

Detrital iron mineralisation was targeted as the main means to increase suitable iron ore inventory. A gravity survey, undertaken in March 2013 over known detrital mineralisation as well as scree-covered areas, served to better define exploration targets. Areas surveyed are outlined on Figure 4.

Detrital iron mineralisation targets occurring on the flanks of the Mt Forrest ranges were investigated by air core and percussion drilling programmes undertaken in January 2013 (124 holes for 1,771 metres), May 2013 (79 holes for 1,294 metres) and June 2013 (45 holes for 521 metres). This work has defined mineralisation in four separate occurrences on three prospects (Figure 4):

- Cassowary, in the southwest of the project area, is the largest occurrence (1500 metres long, 250 metres wide and of average thickness 15 metres). Best drill results include 12 metres @ 40.0% Fe from surface and 19 metres @ 43.7% Fe from 23 metres (hole MFC0505).
- Toucan in the northwest, where drilling has expanded the known size of the occurrence to a length of 1300 metres, width of 200 metres and average thickness of 8 metres. Grades range up to 14m @ 45.3% Fe from surface (hole MFC0607).
- Parrot-Corella in the northeast, where detrital material is present in two closely adjacent lenses. The northern measures 450 metres long, 300 metres wide and 3 metres thick, the larger southern lens 970 metres long, 300 metres wide and 4 metres thick. The latter includes some canga which was tested on hole MFC0551, returning 5 metres @ 53.3% Fe from surface.

Increases to the existing regolith (haematite/goethite) iron inventory were also targeted, although scope was more limited than the potential detrital opportunity.

A further 6 percussion holes for 238 metres were drilled during June at Currawong (Figure 4), testing for southern extensions of the near-surface haematite and goethite mineralisation identified during a drilling programme undertaken in October 2010. The holes intersected an interbedded suite of basalt and magnetite-dominant banded iron formation with only minor development of microplaty haematite. Iron assays were mostly below 40% Fe.

## METALLURGICAL TESTWORK

Composite representative samples from key air core drill holes have been selected for bulk metallurgical test work. These samples have been chosen on grade range and visual composition to test the beneficiation limits and identify a suitable lower cut–off grade for mineral resource estimation. The metallurgical test work is on-going. In addition, two representative diamond drill holes were completed during July 2013 in order to obtain a bulk sample for the metallurgical test work.

## HERITAGE

Good relationships have been maintained with our indigenous stakeholders and annual updates on the Company's activities were given to each indigenous stakeholder group.

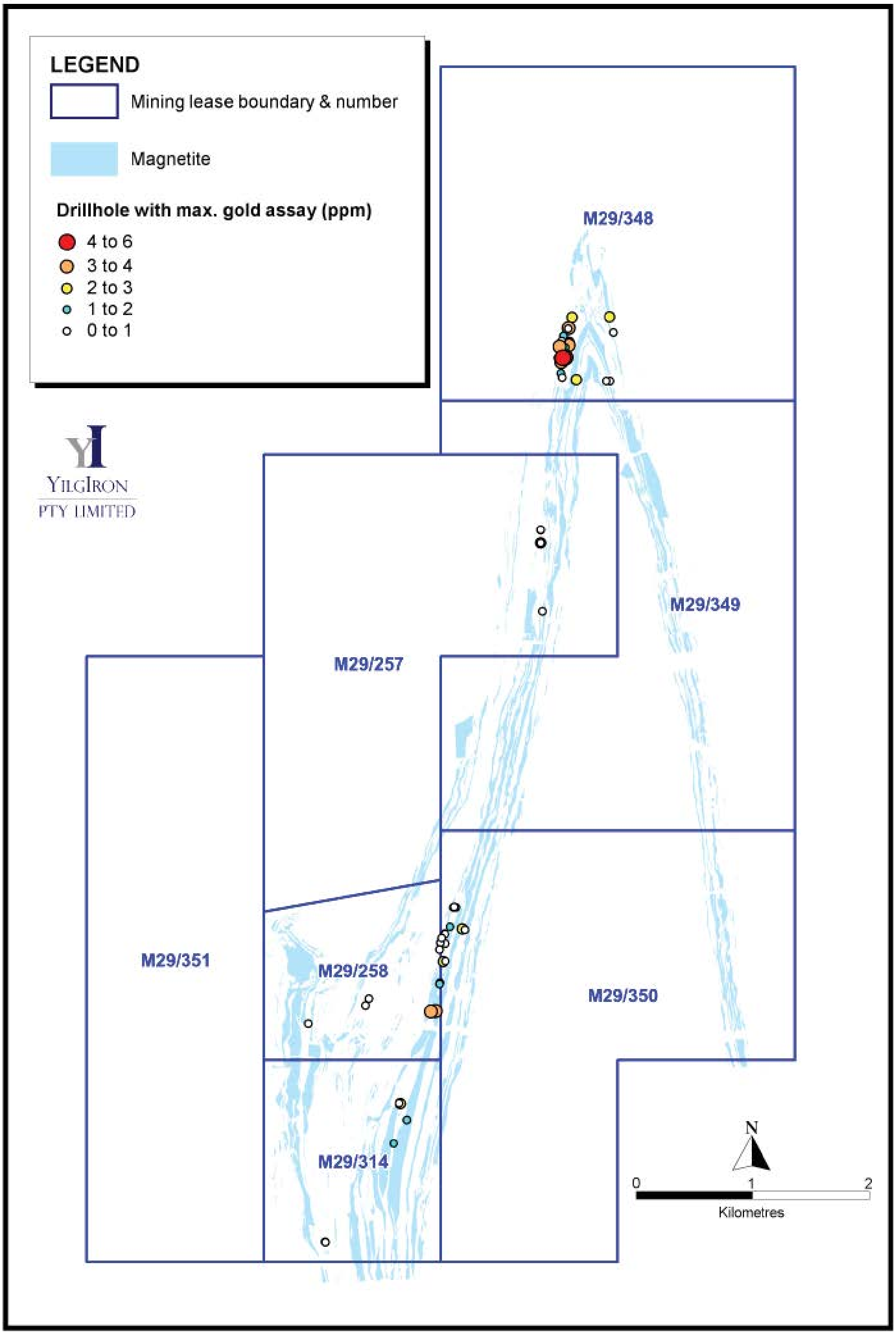



*Figure 4:* Drilled detrital iron occurrences at Mt Forrest

**EACH INDIGENOUS STAKEHOLDER GROUP HAS BEEN INVOLVED WITH GROUND CLEARANCE PROGRAMMES TO ENSURE THE PROTECTION OF ABORIGINAL HERITAGE.**

PROTECTION

Each indigenous stakeholder group has been involved with ground clearance programmes to ensure the protection of Aboriginal heritage prior to drilling campaigns as per the requirements of our approvals for exploration (under section 18 of the Aboriginal Heritage Act 1972 (Commonwealth).

During June 2013, a representative from the Kalgoorlie branch of the Department of Aboriginal Affairs spent 3 days on-site inspecting 13 selected registered heritage sites within the project area to ensure that no sites had been impacted by any of the Company's exploration activities. Although the Company has not received any formal feedback from the audit the verbal feedback given at the completion of the audit was positive.

## ENGINEERING

Engineering activities have been gradually ramped up as the Optimised Scoping Study work has progressed. A small number of experts in the engineering area have been added to the in-house project team to complement existing skills. A summary of key activities is given below.

A layout for site infrastructure required for production has been created to define areas of disturbance and optimal location for ore haul to the ROM pad for processing. This includes the siting of the tailings facility, mine operations facility, the power station, fuel storage and the accommodation camp.

A desktop water resource study has been undertaken to advise on the most prospective areas for a water exploration drilling programme within the existing mining leases. Four holes were then completed and intersected reasonable volumes of relatively fresh, near potable ground water. These holes were also geologically logged and some were sampled for iron. Assays for these holes are pending. Pipeline and services pathways were mapped from the potential bore field area to the accommodation camp and process plant.

Mining methods, mine plan sequences and haul paths to the process plant were considered for the regolith and detrital ore bodies and also took into account future mining requirements associated with the magnetite ore bodies.

Reviews of capital and operating costs are ongoing. For capital expenditure, the specific focus is for a staged approach to capital expenditure with the lowest upfront requirement possible and also assessment of potential use of Build, Own and Operate (BOO) contracts to reduce overall capital demand. Operating cost studies are targeting mining plan, processing requirements and logistics costs. The latter form a significant portion of the overall operating costs.

## LOGISTICS

The availability of reliable and commercially cost competitive logistics infrastructure is crucial to the success of the Mt Forrest iron project. The Company has devoted considerable time to this area as progress is made towards confirming an acceptable final logistics solution. There are ongoing discussions will all key logistics stakeholders, including service providers, government, Esperance Port and other interested parties.

A detailed assessment was made of the proposed haul road route from site to the railhead at Menzies. The objective is to maximise the tonnes hauled per truck and reduce the amount of truck movements on the road. This will lower costs and improve safety for all road users. Various discussions have been held with potential road haulage providers.

Discussions with other Yilgarn miners were conducted and a cooperative approach agreed for a single rail load out facility to be located eight kilometres south of Menzies. The Company will continue to engage with both the above and below ground rail operators as the project schedule progresses.

Discussions with the Shire of Menzies have been undertaken relating to the siting of the rail load out facility, a new light industrial area, provision for accommodating the haulage contractors' employees in the town and potential government support for additional infrastructure required with this increased activity.

The Company has been involved fully, both as an individual corporate entity and as a member of the Yilgarn Iron Producers Association (YIPA), in the Esperance Port upgrade project. Discussions have been held and are ongoing with a number of stakeholders, including the shortlisted Port Upgrade Project proponents.

## ENVIRONMENTAL

Considerable work has been undertaken to reach the position where the Company has now begun preparatory work for the regulatory approval submissions to the Environmental Protection Authority (EPA).

Level 2 flora and fauna field surveys for both the spring and autumn seasons were completed. A survey to identify the potential of the area for use by the nationally threatened bird species, the Malleefowl was also completed. No species listed as endangered under State or Federal environmental legislation have been recorded, which should allow for a more streamlined approvals process.

Further work planned for the July 2013 quarter includes an assessment of waste rock material and surveys for Short Range Endemic Invertebrates (SREs) which will substantially complete the environmental impact assessment.

## STAKEHOLDER ENGAGEMENT

Mindax's approach is to be open and transparent regarding its activities with all stakeholders. There have been a number of discussions with a wide range of interested parties. These include politicians, government bodies, Non-Government Organisations (NGOs), indigenous groups and local community organisations.

Mindax has been an active participant within YIPA. The Company has contributed to four successful studies commissioned by YIPA and undertaken by independent expert consultants AECOM. These studies review the capacity of the existing rail network and Esperance Port and options for expansion. Economic analysis of Esperance port expansion options has also been undertaken. The economic benefits to the State and communities of 10 million tonnes of new capacity iron ore from the Yilgarn have been estimated as well.

## MT FORREST GOLD EXPLORATION

Following on from previously announced results of 10-metre composite samples taken from selected percussion drill holes, the best anomalous intervals from these holes were prepared for resampling into one metre composites. A total of 1,353 one-metre samples were generated by riffle splitting each individual metre taken from bulk sample material that is stored at the Mt Forrest bag farm. These samples were assayed for gold in Perth.

A total of 28 drill holes returned values above 1 ppm gold over down-hole widths of between one and six metres, with some holes having multiple mineralised intersections. Best value of 5.96 ppm was recorded from the interval 28-29 metres in hole MFC0219. The majority of intercepts are from near surface, but several are from down-hole depths in excess of 200 metres where they represent quartz-filled fractures within magnetite banded iron formation.

The data will be reinterpreted with the aim of generating an updated gold resource.

## PROPOSED MT FORREST JOINT VENTURE

Significant progress has been made towards the formation of a joint venture for the Mt Forrest iron ore project. Final negotiations with Perpetual Mining Holding Limited (PMHL) are in progress.

Please refer to Review of Operations - Corporate (page 26 "Strategic Partnership - Mt Forrest Iron Project") for details of the proposed joint venture.

## 2) Yilgarn-Avon Joint Venture (Uranium)

The joint venture (Mindax 80.77%, Quasar Resources Pty Ltd 19.23%, calculated as at 31 July 2013) covers several projects, detailed below, in the Wheatbelt of Western Australia (Figure 5). Previous scout drilling at Mukinbudin had identified a maiden 3.2 million pound resource at the Yandegin and Jindarra prospects (refer to the "Mineral Resource Summary" on page 42 for resource details).

Early in the reporting year, land holdings in the project area were rationalised, with the total relinquishment of 3 licences and the partial relinquishment of a further 16 licences. All relinquishments involved ground considered not to be prospective for uranium mineralisation.

A scout drilling programme was undertaken successfully in the first half of 2013 in parts of each of the major project areas Quairading, Kellerberrin and Mukinbudin *(see Figures 6, 7 and 8)*. The programme was funded entirely by Mindax. Relevant interests in the joint venture will be recalculated in due course, with a resultant increase in the Company's percentage holding.

The scout programme was designed to test for downstream variations in geology and water chemistry in the palaeochannel and to identify those sections that have the best geological conditions to allow uranium to be deposited.

This included targeting new areas of the palaeochannel at Quairading and Kellerberrin and

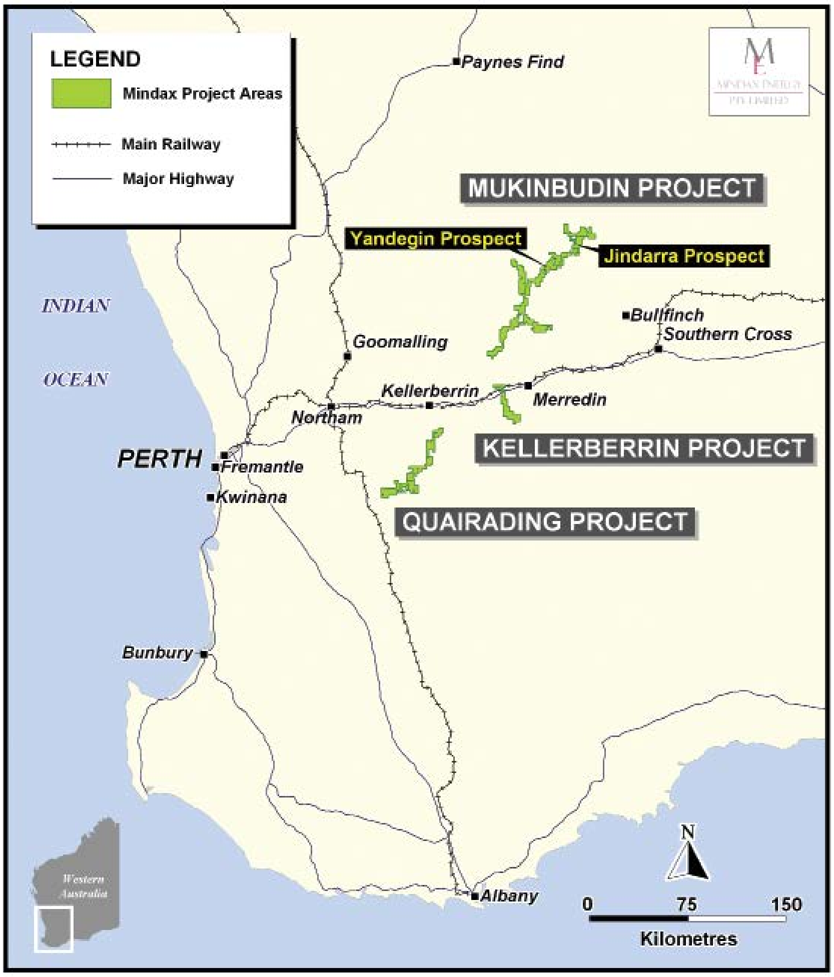



*Figure 5:* Yilgarn Joint Venture project location map

pursuit of extensions to the existing uranium mineralisation at Mukinbudin. Initially four-metre composite samples, which had been obtained from the drilling, were analysed. Selected samples with elevated levels of uranium were then broken down into one metre samples which were subsequently analysed. On completion of drilling all sites were rehabilitated.

This work has identified 3 new high priority targets at the Mukinbudin Project, which is extremely prospective and now contains 5 prospects over a 100km length of palaeochannel.

The Kellerberrin and Quairading Projects are less prospective, but remain of interest. Widespread, modestly elevated levels of uranium (generally 20 -30 ppm U) were found at Kellerberrin. No uranium occurrences were found at Quairading, but three untested areas of interest remain.

Work on the individual projects within the joint venture area is summarised below.

## QUAIRADING PROJECT

A total of 680 four-metre composite samples were collected from the 56 holes (2,554 metres) drilled. On analysis, all returned less than 20 ppm U. In view of these results the geological model was reviewed, leading to the identification of three new areas of interest which will be considered for drilling in future work programmes.

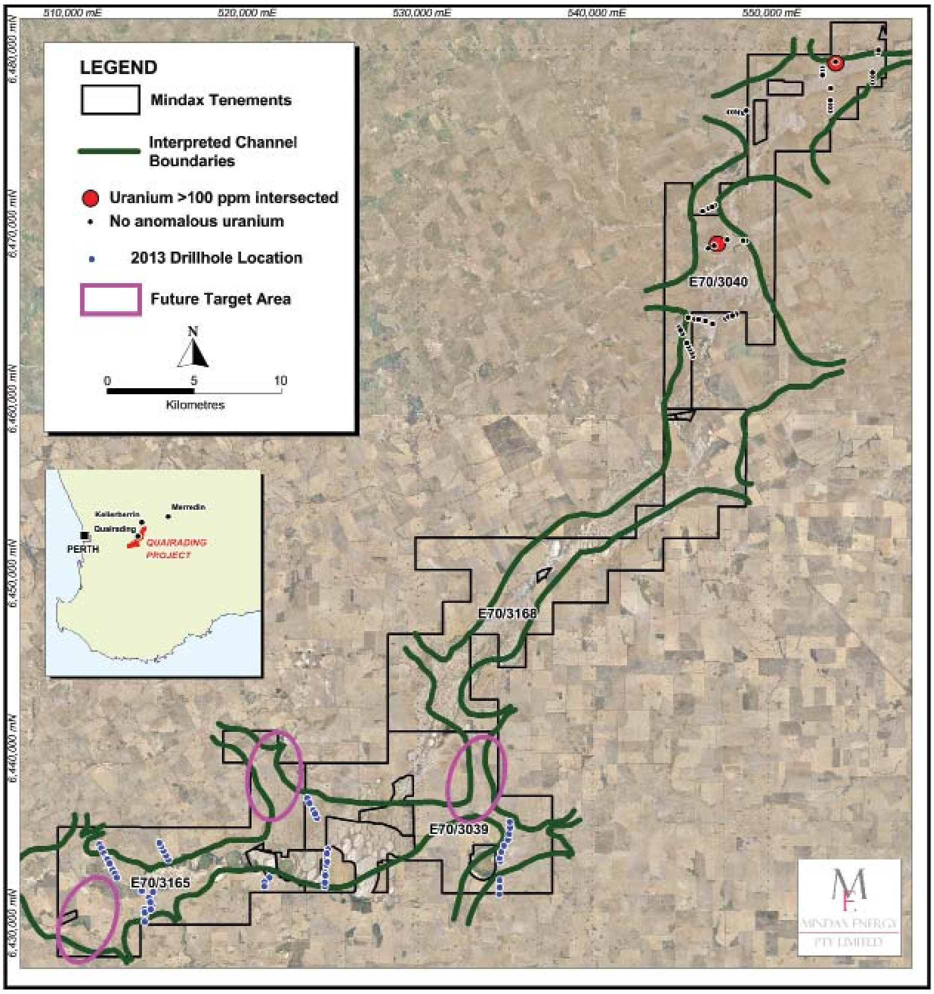



*Figure 6:* Quairading project location map

**WORK HAS IDENTIFIED 3 NEW HIGH PRIORITY TARGETS AT THE MUKINBUDIN PROJECT, WHICH IS EXTREMELY PROSPECTIVE.**

HIGH PRIORITY

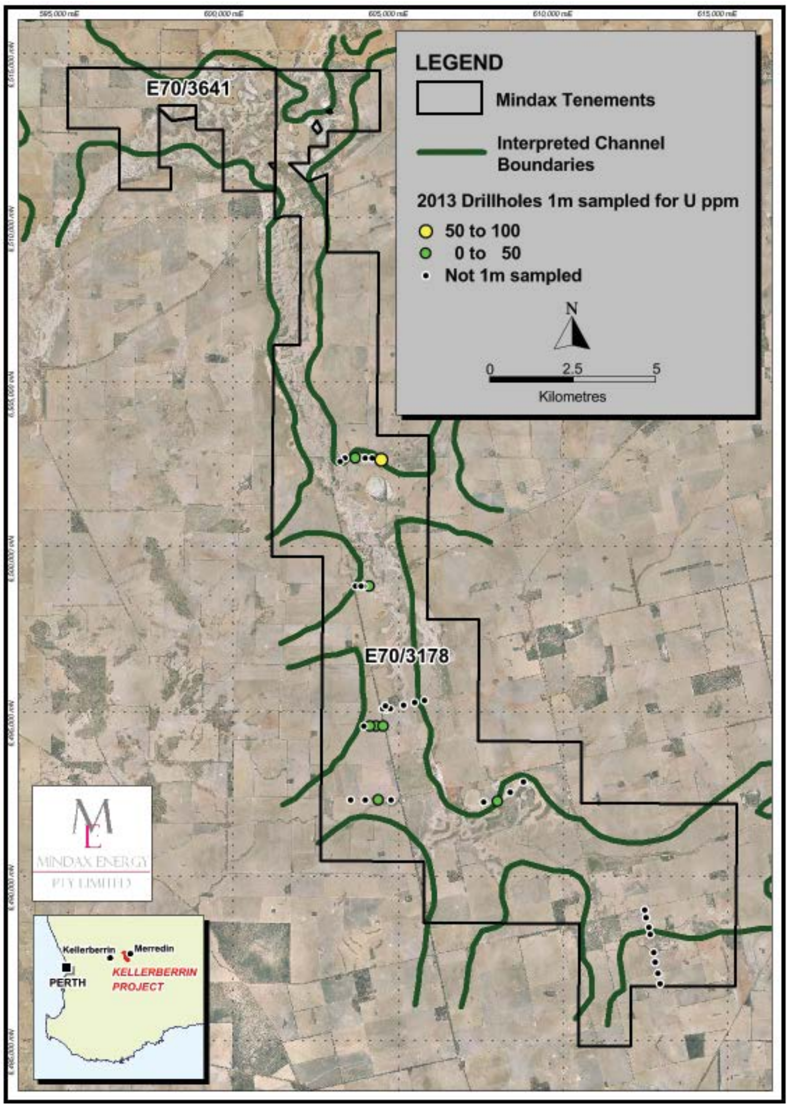



*Figure 7:* Kellerberrin project location map

## KELLERBERRIN PROJECT

All 38 holes (1,875 metres) were sampled on a 4-metre composite basis. Fourteen samples from 8 drill holes graded better than 20 ppm U, best results being 16 metres at 29 ppm U (hole YAA0448) and 8 metres at 32 ppm U (hole YAA0460). All anomalous intervals were re-sampled on a one-metre basis, generating 51 samples. Of these only one showed any significant upgrading of the parent composite sample, returning 63 ppm U (hole YAA0460), the remaining results ranging from 20 to 30 ppm U.

The presence of widespread, low grade uranium mineralisation and generally oxidised nature of the channel sediments suggest that the uranium may be remaining in solution, passing through the drilled area to be deposited elsewhere in the palaeodrainage system. Revision of the geological model and generation of new drill targets for consideration in future work programmes is ongoing.

## MUKINBUDIN PROJECT

Drilling (87 holes for 7,603 metres) generated 2,006 samples composited over a 4-metre interval. Of these 144 samples from 45 drill holes returned anomalous uranium values exceeding 20 ppm U, best results including 233 ppm U (hole YAA0481), 109 ppm U (hole YAA0529) and 104 ppm U (hole YAA545).

A total of 87 composite samples grading greater than 25 ppm U were selected for re-assaying, producing 340 one-metre samples. Of these 14 samples returned grades exceeding 100 ppm U, best results being 882 ppm U (hole YAA0481) and 406 ppm U (hole YAA0545). These results have identified 3 areas in which high grade uranium was returned from multiple drill holes on adjacent drill traverses.

Results of the exploration programme have shown that the prospective paleochannel system is not located within the bounds of tenements E70/4062 and E70/3662 and consequently on 5 June 2013 both tenements were voluntarily surrendered.

The Mukinbudin Project now has, within a 100 kilometre length of prospective palaeochannel, 5 individual prospects each of which could potentially host a uranium deposit. Future exploration is under consideration.

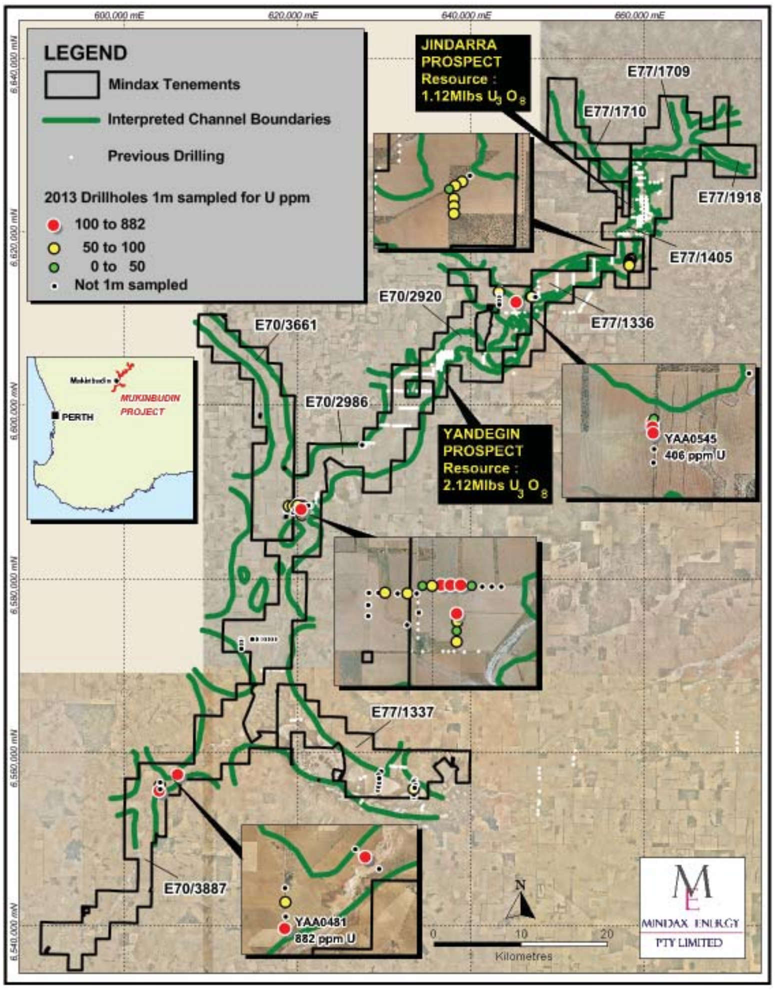



*Figure 8:* Mukinbudin project location map

**THE ASSAY RESULTS HAVE BEEN INTERPRETED AS TWO ZONES OF SUPERGENE COPPER ENRICHMENT OFFSET SOME 500M BY A LARGE FAULT.**

SUPERGENE COPPER

### 3) Mortlock Project (Copper, Gold)

With tenements located mostly north and east of Northam (Figure 9) the project comprises a joint venture between Mindax Energy Pty Ltd (81% and operator) and Quasar Resources Pty Ltd (19%). It includes areas of ground held by Sipa Exploration NL (Sipa) and joint ventured to the Yilgarn-Avon Joint Venture (51% and operator). Exploration is focused on copper-gold mineralisation.

A total of 58 holes for 2,748m were drilled in February and March 2013 at the Centre Forrest prospect on E70/3266.

Encouraging 4 metre assay results were received for a number of holes, with the best result, reported from drill hole CFA0072, being 12 metres at 0.65% Cu from 32m down-hole, including 4 metres at 1.01% Cu from 32m down-hole. The adjacent drill hole CFA0074, located 50m along strike to the south, intersected 8 metres at 0.50% Cu from 24 metres down-hole. The assay results have been interpreted as two zones of supergene copper enrichment offset some 500m by a large fault. The footprint of these two zones covers approximately 700 x 500 metres and 600 x 300 metres respectively and could indicate the existence of a larger mineralising system at depth *(see Figure 10).*

Selected one-metre samples were sent for further assay. These results announced in July 2013 confirmed the presence of the copper anomaly. Interpretation and future work planning is now in progress.

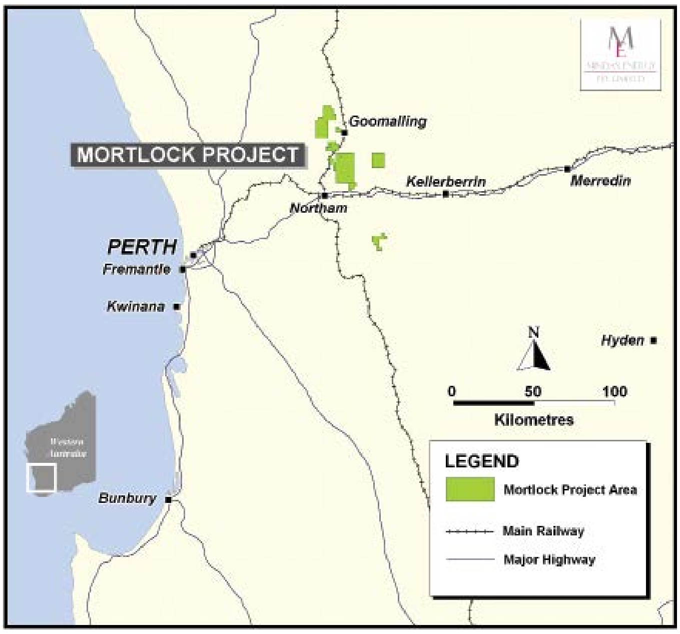



*Figure 9:* Mortlock project location map

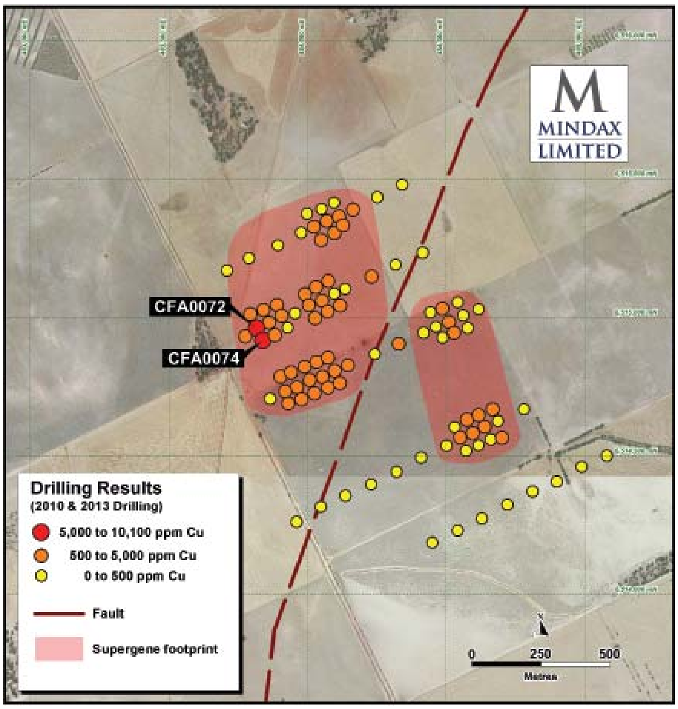



*Figure 10:* Mortlock project area, showing copper anomalies

### 4) Meekatharra North Project (Gold)

Located some 40 kilometres north of Meekatharra the project (see Figure 11), comprising three separate portions of one single exploration licence, is wholly owned by Mindax. In view of its location immediately adjacent to and south of Doray Minerals' Andy Well gold find (831,000 tonnes @12.7 g/t for 339,350 ounces of contained gold) the project area is regarded as being highly prospective, with auriferous structures potentially continuing south from Andy Well into the Mindax ground.

As outlined on page 27, a strategic partnership (farm-in/farm-out agreement) for the Meekatharra North Gold Project was entered into in October 2012 under which $2.5M would be spent on exploration before the end of October 2015 allowing the farm-in partner to earn 51% equity in the project, which would continue to be managed by Mindax.

A Sub-Audio Magnetic (SAM) survey covering the northern portion of the tenement was completed in mid-January 2013. An interpretation of this geophysical data was undertaken by Southern Geoscience Consultants in March 2013. A subsequent geological review of this data led to the identification of 6 target areas, the first of which was tested in July 2013 by a programme comprising 6,000 metres of angled air core and percussion drilling (Figure 12), fully funded under the farm-in/farm-out agreement.

Figure 12: 2013 SAM survey over Meekatharra North with exploration targets (polygons), planned drill traverses (pink lines) and existing drill holes.

### 5 Other Projects - Fred's Bore (Iron Ore, Gold)

Historical exploration data for this licence area was reviewed and three field visits were undertaken.

On the last visit minor gold workings in the south-western corner of the tenement were inspected, and detrital iron mineralisation developed over a strike length of approximately one kilometre adjacent to outcropping, previously mapped haematite-goethite mineralisation was sampled, returning a best value of 62.64% Fe.

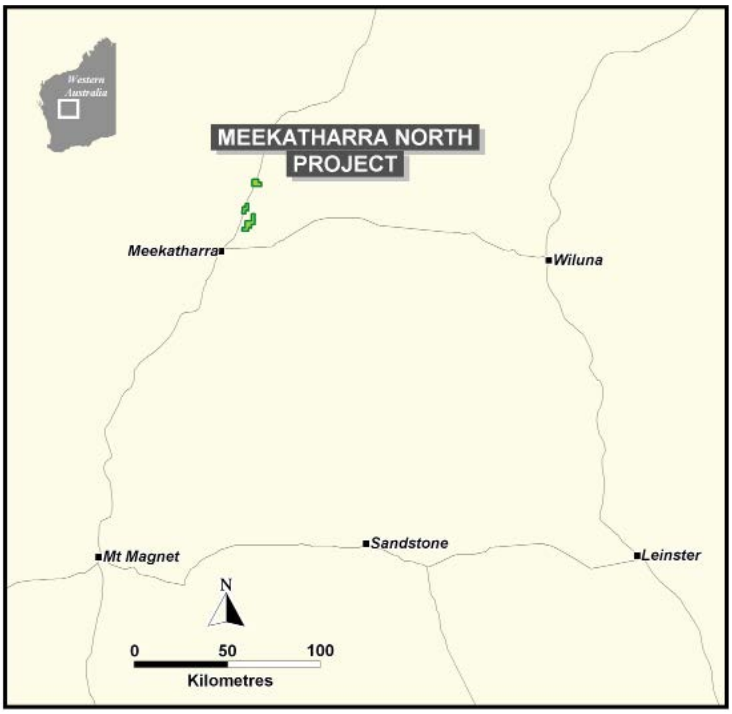



*Figure 11:* Meekatharra North project location map

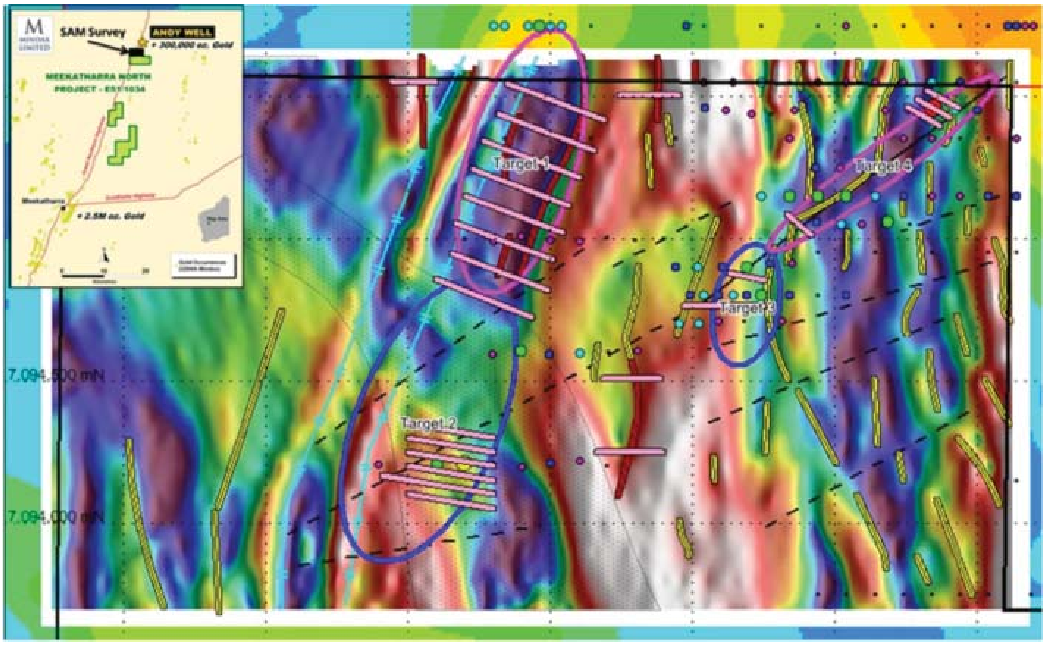



*Figure 11:* Meekatharra North project location map

## LAND TENURE

Mindax continues to hold an extensive tenement portfolio comprising 52 tenements for 4,613 km$^2$, summarised as follows:

| PROJECT | NUMBER OF TENEMENTS HELD | AREA (KM$^2$) | NUMBER OF TENEMENTS RELINQUISHED DURING THE YEAR |
|---|---|---|---|
| Mt Forrest | 7 | 54 | |
| Mt Forrest (water) | 5 | 2,389 | |
| Mt Forrest (infrastructure) | 13 | 49 | |
| YAJV Uranium | 16 | 1,458 | 3 |
| YAJV Mortlock | 9 | 557 | |
| Meekatharra North JV | 1 | 55 | |
| Fred's Bore | 1 | 51 | |
| **Totals (rounded)** | **52** | **4,613** | **3** |

### Mineral Resource Summary

No changes to the mineral resource inventory occurred during the financial year.

*1) Iron*

The current near surface goethite-hematite-martite-magnetite resource stands at 14.7 Mt @ 45.4% Fe (12.3 Mt JORC Indicated @ 45.5% and 2.4 Mt JORC Inferred @ 44.8% - above 40% cut-off) and are presented in the table below:

**Mt Forrest Iron Project - Mineral Resource Regolith Mineralisation above a 40% Fe cut-off**

| RESOURCE CATEGORY | TONNES [Mt] | MEAN Fe% | MEAN $SiO_2$% | MEAN $Al_2O_3$% | MEAN P% | MEAN S% | MEAN LOI% |
|---|---|---|---|---|---|---|---|
| Indicated | 12.3 | 45.5 | 23.0 | 5.2 | 0.06 | 0.07 | 6.1 |
| Inferred | 2.4 | 44.8 | 26.4 | 4.5 | 0.05 | 0.06 | 4.6 |
| **Total** | **14.7** | **45.4** | **23.5** | **5.0** | **0.06** | **0.07** | **5.8** |

Note: Totals subject to rounding

The current primary magnetite resource stands at 1.71 billion tonnes @ 31.8% Fe (248.2 Mt @ 32.6% Fe JORC Indicated and 1,462.4 Mt @ 31.6% Fe JORC Inferred) and is presented as follows:

**Mt Forrest Iron Project - Consolidated Mineral Resource Magnetite Mineralisation above a 25% Fe cut-off**

| CLASSIFICATION | TONNES [Mt] | Fe [%] | $SiO_2$ [%] | $Al_2O_3$ [%] | LOI [%] | P [%] | S [%] |
|---|---|---|---|---|---|---|---|
| Indicated | 248.2 | 32.6 | 47.0 | 1.7 | 1.1 | 0.06 | 0.12 |
| Inferred | 1,462.4 | 31.6 | 47.9 | 1.8 | 2.2 | 0.04 | 0.10 |
| **Total** | **1,710.6** | **31.8** | **47.7** | **1.8** | **2.0** | **0.05** | **0.10** |

Note: Totals subject to rounding

*2) Uranium*

The current mineral resource calculated by Optiro Pty Ltd has estimated the mineral resource for the uranium mineralisation at the Mukinbudin Project to be 3.2Mlbs at 0.02% U3O8 (JORC Inferred) using a 100 ppm (0.01%) U3O8 cut–off. The mineral estimate currently consists of 1.1Mlbs at 0.03% U3O8 at the Jindarra Prospect and 2.1Mlbs at 0.02% U3O8 at the Yandegin Prospect.

The table below shows the Mineral Resource as estimated by Optiro.

**Resource Tabulation by Prospect at 100 ppm $U_3O_8$ cut-off**

| PROSPECT | CATEGORY | TONNES [Mt] | METAL [t] | GRADE [%] | GRADE [ppm] | $U_3O_8$ [Mlbs] |
|---|---|---|---|---|---|---|
| Jindarra | Inferred | 1.86 | 500 | 0.03 | 273 | 1.12 |
| Yandegin | Inferred | 4.36 | 950 | 0.02 | 221 | 2.12 |
| **Total** | **Inferred** | **6.22** | **1,450** | **0.02** | **237** | **3.25** |

Note: Totals subject to rounding

**INTERESTING RESULTS HAVE BEEN OBTAINED ON ALL PROJECTS AND ARE SUFFICIENTLY ENCOURAGING TO RETAIN INTEREST IN ALL PROJECTS AND DEVELOP FORWARD PLANS.**

The following two Tables provide a breakdown of the resources at Jindarra and Yandegin at a variety of cut-off grades.

**Jindarra Resource Tabulation at a variety of cut-off grades**

| $U_3O_8$ cut-off [ppm] | TONNES [Mt] | METAL [t] | GRADE [%] | GRADE [ppm] | $U_3O_8$ [Mlbs] |
|---|---|---|---|---|---|
| 100 | 1.86 | 500 | 0.03 | 273 | 1.12 |
| 200 | 0.77 | 350 | 0.05 | 454 | 0.77 |
| 300 | 0.31 | 250 | 0.08 | 765 | 0.52 |

Note: Totals subject to rounding

**Yandegin Resource Tabulation at a variety of cut-off grades**

| $U_3O_8$ cut-off [ppm] | TONNES [Mt] | METAL [t] | GRADE [%] | GRADE [ppm] | $U_3O_8$ [Mlbs] |
|---|---|---|---|---|---|
| 100 | 4.36 | 950 | 0.02 | 221 | 2.12 |
| 200 | 1.88 | 600 | 0.03 | 321 | 1.33 |
| 300 | 0.96 | 400 | 0.04 | 402 | 0.85 |

Note: Totals subject to rounding

### Competent Person Statements

*1) Iron*

Mr Michael Andrew is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a competent person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Andrew is a full-time employee of Optiro Pty Ltd and the Company holds a prior consent to include the matters based on his information in the context in which it appears in this report.

*2) Uranium*

Dr Katrin Kärner is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking to qualify as a competent person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Katrin Kärner is a full-time employee of Optiro Pty Ltd and the Company holds a prior consent to include the matters based on her information in the context in which it appears in this report.

## REVIEW OF OPERATIONS - OUTLOOK

Mindax has made notable progress with each of its four projects for key commodities. Access to funds from equity markets and joint venture partners (e.g. Meekatharra North) has enabled project momentum to be built and significant work to be carried out. This has included exploration field work after a period of approximately 18 months inactivity due to funding shortages. Interesting results have been obtained on all projects and are sufficiently encouraging to retain interest in all projects and develop forward plans. There is certainly value potential present.

The rate and extent of future progress is largely dependent on the Company's capacity to secure new funds from equity markets and potential joint venture partners. In that regard, the Company has demonstrated excellent capability in the past 12 months in very challenging financial markets. However, economic conditions remain particularly difficult and access to sufficient funds is by no means certain. Progress of each project through the development phases is also dependent on obtaining robust results in any single phase before moving to the next one.

A brief work programme summary for the next financial year is as follows:

### Mt Forrest Iron Project

Advance project to complete Optimised Scoping Study and Feasibility Study, secure regulatory approvals and commence mine development. As significant funding will be required to deliver this programme, securing the proposed joint venture will be critical to the project's success.

### Yilgarn Avon Uranium Project

Undertake targeted drilling on highly prospective areas with the aim of increasing the current JORC resource.

### Mortlock Copper Project

Carry out further scout and targeted drilling to investigate the copper anomaly present.

### Meekatharra North Gold Project

Move forward with scout and targeted drilling which will be funded by the joint venture partner.

## REVIEW OF FINANCIAL

### Financial Results

The consolidated loss of the Group for the financial year after providing for income tax amounted to $1,814,133 (2012: $2,299,213). 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 2013.

### Financial position

The net assets of the Group have increased from 30 June 2012 by $3,779,310 to $26,662,456 at 30 June 2013. This is largely due to the following factors:

- five capital raisings that raised circa $5.7 million, before transaction costs;
- continued exploration for and evaluation of all the Group's mineral resource projects totalling $4,393,807 (before exploration costs written off during the reporting period of $952,530);
- Research and Development (R & D) tax concession received for fiscal year 2012 of $1.197M (2011: $0.7M).

### 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.

END OF OPERATIONS AND FINANCIAL REVIEW

# REMUNERATION REPORT (AUDITED)

## REMUNERATION POLICY

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

The Company'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 rewards can be linked to performance criteria; 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-Nominations 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 them and their individual responsibilities. 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; and he currently receives a fixed fee for his services as a director.

The current base remuneration for the non executive directors and the Chairman was last reviewed in February 2013. No increase was awarded to non-executive directors other than the Chairman (now $90,000 per annum [including statutory superannuation]) to recognise the additional level of work commitments required for this role.

The Board also adopted a recommendation of the Remuneration-Nominations Committee in February 2013 to introduce Committee Fees, payable to members of the Audit and Remuneration-Nominations Committees. The Board agreed to fees of $5,000 per annum for each member of a committee, and $10,000 per annum for the Chairman of each committee. Such fees are paid to applicable members on a quarterly basis.

To this end, the Company's non executive directors' standard remuneration package contains only two components, being a primary benefit of quarterly director's fees and committee fees (where applicable), plus compulsory superannuation. In addition, on occasion, some form of performance based remuneration (through the issue of unlisted options) are approved by shareholders which forms part of a non-executive director's overall remuneration. Such remuneration is discussed further on page 46, under "Performance based Remuneration".

Non executive director fees (including committee 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 per annum and was approved by shareholders at the 2010 Annual General Meeting.

No retirement benefits are provided to directors.

Remuneration details for non-executive directors (including any short-term and long-term incentives) are set out in the sections below.

*Executive Directors*

Generally, the Company's executive director's remuneration package contains the following components:

- base pay and benefits, including superannuation (Total Fixed Remuneration);
- short-term performance incentives; and
- long-term performance incentives, being equity – share options granted under the employee option scheme or approved by shareholders of the Company.

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

Total Fixed Remuneration 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 data provides benchmark information to ensure the base pay is set to reflect the market for a comparable role. Total Fixed Remuneration is reviewed periodically (usually annually) to ensure the level is competitive with the market. There is no guaranteed Total Fixed Remuneration increases included in any executive director contracts. A vehicle (or vehicle allowance) and car parking bay is also provided as part of the Total Fixed Remuneration as an additional benefit to executive directors.

Mindax currently only has one executive director, being the Managing Director and CEO, Dr Steve Ward. Details of Dr Ward's remuneration (including short-term and long-term incentives) are set out in the sections below.

## PERFORMANCE BASED REMUNERATION

Performance based (incentive) remuneration comes in the form of Short Term Incentives (STIs) and Long Term Incentives (LTIs).

The executive director has the opportunity to earn an STI if predefined performance targets are achieved. Currently, performance based (incentive) remuneration for the executive director is currently limited to cash bonuses for STIs and the granting options over unissued shares as an LTI. Performance based remuneration for other key management personnel is currently limited to the granting of shares and options.

Details of STIs and LTIs issued by the Company for the 2012-2013 and 2013-2014 financial years are summarised on page 48.

## RELATIONSHIP BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives, including the occasional issue of options to directors and executives which is to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

The table below shows the Group's net profit/(loss), its' allocation per share and share price of the Company at the end of the respective financial years.

| | 2008 $ | 2009 $ | 2010 $ | 2011 $ | 2012 $ | 2013 $ |
|---|---|---|---|---|---|---|
| **Net Profit/(Loss)** | (554,987) | (2,256,691) | (2,339,546) | (2,412,051) | (2,299,213) | (1,814,133) |
| **Loss per share** | 0.0076 | 0.0175 | 0.0178 | 0.0164 | 0.0132 | 0.00812 |
| **Share Price at Year end** | 0.340 | 0.490 | 0.410 | 0.275 | 0.073 | 0.12 |

**THE REMUNERATION POLICY HAS BEEN TAILORED TO INCREASE GOAL CONGRUENCE BETWEEN SHAREHOLDERS, DIRECTORS AND EXECUTIVES.**



### PERFORMANCE CONDITIONS LINKED TO REMUNERATION

At this stage, the Company's remuneration of key management personnel (excluding directors) 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 for these personnel is inappropriate. This may change once the Group commences production.

In relation to non-executive directors, the Board believes that a portion of the remuneration package for the non-executive directors should be linked to some form of financial performance indicator, such as share price, from time to time, as determined by the Board. In this regard, options over unissued shares provide a performance linked incentive component in the remuneration package for non-executive directors to motivate and reward their performance. Details of options issued to directors during the 2012-2013 financial year are set out below.

In relation to the executive director (again, being the Managing Director and CEO, Dr Steve Ward) the Board believes that a portion of the total remuneration package for the executive director should also be linked to financial performance indicators such as share price, as well as achieving key targets set by the Board on an annual basis. In this regard, a number of STIs were approved by the Board for Dr Ward which apply to the 2013-2014 financial year. They are summarised in the sections below. Dr Ward also received incentive options issued during the 2012 – 2013 financial year. Details of options issued are set out below.

### EMPLOYMENT DETAILS OF KEY MANAGEMENT PERSONNEL AND OTHER EXECUTIVES

The table below provides details of persons who were, during the financial year, members of key management personnel of the Company.

| Key Management Personnel | Position Held | Fixed Salary / Fees 2013 (%) | Shares / Options Issued 2013 (%) | Total 2013 (%) | Fixed Salary/ Fees 2012 (%) | Shares / Options Issued 2012 (%) | Total 2012 (%) |
|---|---|---|---|---|---|---|---|
| **G George** | Non executive Chairman | 83 | 17 | 100 | 100 | - | 100 |
| **S Ward** | Managing Director & CEO | 84 | 16 | 100 | - | - | - |
| **A Tsang** | Non executive Director | 88 | 12 | 100 | 100 | - | 100 |
| **B Chow** | Non executive Director | 90 | 10 | 100 | 100 | - | 100 |
| **E Loh** | Non executive Director | 89 | 11 | 100 | 100 | - | 100 |
| **Y Li** | Non executive Director | 100 | - | 100 | n/a | n/a | n/a |
| **C Pougnault** | Chief Financial Officer & Company Secretary | 100 | - | 100 | 83 | 17 | 100 |
| **J Vinar** | General Manager Mt Forrest | 100 | - | 100 | 84 | 16 | 100 |

The following table provides details of persons who were Key Management Personnel during the financial year but left the Company prior to either 30 June 2013 or prior to the signing of this Annual Report.

| Key Management Personnel | Former Position Held | Fixed Salary / Fees 2013 (%) | Shares/ Options Issued 2013 (%) | Total 2013 (%) | Fixed Salary / Fees 2012 (%) | Shares/ Options Issued 2012 (%) | Total 2012 (%) |
|---|---|---|---|---|---|---|---|
| S Lane (resigned 31 January 2013) | Exploration Manager | 100 | - | 100 | 84 | 16 | 100 |

### DETAILS OF SHORT-TERM AND LONG-TERM INCENTIVES FOR THE 2013 – 2014 FINANCIAL YEAR

The Managing Director and CEO has a target STI opportunity of circa 20% of his total remuneration for the 2013-2014 financial year. It is anticipated that 50% of the actual STIs (if achieved) will be paid in cash prior to the end of the first half of the financial year; and the remaining 50% paid in cash prior to the end of the second half of the financial year, if such STIs are achieved.

STI awards for the Managing Director and CEO in the 2013-2014 financial year are based on the following:

| Performance Category | Metrics | Weighing |
|---|---|---|
| **JV Funding – Mt Forrest** | Securing a binding joint venture arrangement. | 25% |
| **JV Funding – Mt Forrest** | Progressing a joint venture arrangement to an operational status. | 25% |
| **Market Capitalisation** | Improvement in Company's share price by a predefined percentage. | 50% |

There were no STIs in place for the Managing Director and CEO during the 2012-2013 financial year.

Details of options issued to Key Management Personnel during the 2012 – 2013 financial year are set out below and further information is also set out in Notes (17) and (24) to the financial statements.

### 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 CEO is also formalised in service agreements. By way of a Service Agreement dated 30 July 2012, the Company appointed Dr Steve Ward as Managing Director and CEO of Mindax Limited. Dr Ward's annual salary, inclusive of a motor vehicle allowance and statutory superannuation (at the rate of 9.25%), is $491,454. Dr Ward is to be reimbursed for all reasonable expenses incurred in carrying out the services of a Managing Director and CEO. Dr Ward is required to provide three calendar months notice of resignation; or is entitled to three calendar months base salary on termination by the Company or six calendar months base salary due to genuine redundancy.

### REMUNERATION DETAILS

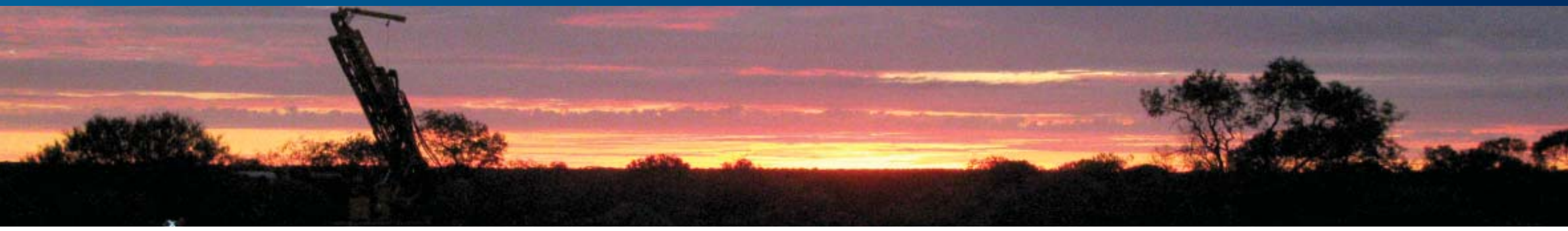
The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Company:

| 2013 | Short-Term Employee Benefits | | Post-Employment Benefits | | Share-Based Payments | | |
|---|---|---|---|---|---|---|---|
| Name | Cash Salary And Fees $ | Non-Monetary Benefits $ | Super-annuation $ | Termination Benefits $ | Shares $ | Options $ | Total $ |
| G George | 87,568 | - | 7,431 | - | - | 19,149 | 114,148 |
| S Ward | 415,962 | - | 37,437 | - | - | 88,348 | 541,747 |
| A Tsang | 65,000 | - | 5,850 | - | - | 9,574 | 80,424 |
| B Chow | 78,500 | | 8,100 | - | - | 9,574 | 96,174 |
| E Loh | 67,911 | - | 6,112 | - | - | 9,574 | 83,597 |
| Y Li | 10,139 | - | 913 | - | - | - | 11,052 |
| J Vinar | 200,000 | 32,000 | 31,509 | - | - | - | 263,509 |
| C Pougnault | 261,835 | - | 23,565 | - | - | - | 285,400 |
| J Stacpoole | 37,489 | - | 1,367 | - | - | - | 38,856 |
| S Lane | 148,913 | - | 13,402 | - | - | - | 162,315 |
| **Total Key Management Personnel Compensation** | **1,373,317** | **32,000** | **135,686** | **-** | **-** | **136,219** | **1,677,222** |

1) For details of shares and options issued to KMP refer to Note (24) "Share based Payments".
2) Mr Vinar receives a motor vehicle as part of his remuneration package, with a deemed value of $32,000 per annum.
3) Dr Ward and Mr Lane receive a motor vehicle allowance paid as part of their cash remuneration, valued at $37,000 and $32,000 per annum respectively. Mr Lane resigned on 31 January 2013.
4) Dr Ward commenced duties on 30 July 2013.

| 2012 | Short-Term Employee Benefits | | Post-Employment Benefits | | Share-Based Payments | | |
|---|---|---|---|---|---|---|---|
| Name | Cash Salary And Fees $ | Non-Monetary Benefits $ | Super-annuation $ | Termination Benefits $ | Shares $ | Options $ | Total $ |
| G George | 69,650 | - | 4,950 | - | - | - | 74,600 |
| A Tsang | 50,000 | - | 4,500 | - | - | - | 54,500 |
| B Chow | 50,000 | - | 4,500 | - | - | - | 54,500 |
| E Loh | 18,877 | - | - | - | - | - | 18,877 |
| J Vinar | 191,558 | 32,000 | 20,120 | - | 30,000 | 16,000 | 289,678 |
| C Pougnault | 210,456 | - | 19,024 | - | 30,000 | 16,000 | 275,480 |
| G Bromley | 290,362 | - | 48,785 | 253,999 | - | - | 593,146 |
| K Pettit | 43,544 | - | 4,488 | - | - | - | 48,032 |
| J Stacpoole | 43,189 | - | - | - | - | - | 43,189 |
| S Lane | 222,728 | - | 20,120 | - | 30,000 | 16,000 | 288,848 |
| **Total Key Management Personnel Compensation** | **1,190,364** | **32,000** | **126,487** | **253,999** | **90,000** | **48,000** | **1,740,850** |
| **Other Executives** | | | | | | | |
| A Francesca | - | 84,691 | - | - | - | - | 84,691 |
| **Total Other Executives** | **-** | **84,691** | **-** | **-** | **-** | **-** | **84,691** |

1) For details of shares and options issued to KMP refer to Note (24) "Share based Payments".
2) Mr Vinar received a motor vehicle as part of his remuneration package, with a deemed value of $32,000 per annum.
3) Mr Lane received a motor vehicle allowance valued at $32,000 per annum as part of his remuneration.
4) Of Mr Francesca's fees $64,611 (2011: $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). Mr Francesca resigned as Company Secretary in April 2012.



## 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 | Year Of Grant | Number Of Options Granted | Value Of Options At Grant Date | Number Of Options Vested During The Year | Number Of Options Forfeited During The Year | Value At Lapse Date | % Vested |
|---|---|---|---|---|---|---|---|
| G George* | 2012 | 1,000,000 | $34,600 | - | - | - | - |
| S Ward** | 2012 | 4,000,000 | $138,400 | - | - | - | - |
| A Tsang* | 2012 | 500,000 | $17,300 | - | - | - | - |
| B Chow* | 2012 | 500,000 | $17,300 | - | - | - | - |
| E Loh* | 2012 | 500,000 | $17,300 | - | - | - | - |

Note: * These key management personnel were issued unlisted options on 10 December 2012 as approved by shareholders at the Company's 2012 Annual General Meeting. The unlisted options are deemed performance based as they are exercisable at a price higher than the prevailing share price at the time of approval by shareholders.

** Dr Steve Ward was issued four million unlisted options on 9 November 2012 pursuant to his employment agreement. The unlisted options are deemed performance based as they are exercisable at a price higher than the prevailing share price at the time of approval by shareholders. Refer to note (17): Key Management Personnel for details.

There were no shares issued from the exercise of options provided as remuneration provided to Key Management Personnel during the current reporting period.

Details of options over ordinary shares issued by the Company during the financial year as remuneration to each of key management personnel of the Company are set out below. When exercisable, each option is convertible into one ordinary share of Mindax Limited. Further information on the options is set out in Notes (17) and (24) to the financial statements.

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

| Grant Date | Vesting And Exercise Date | Expiry Date | Exercise Price | Value Per Option At Grant Date | Performance Achieved | % Vested |
|---|---|---|---|---|---|---|
| 9 November 2012 | 9 November 2013 | 9 November 2015 | $0.108 | $0.035 | - | 0% |
| 3 December 2012 | 3 December 2013 | 3 December 2015 | $0.11 | $0.035 | - | 0% |

Options granted under the plan carry no dividend or voting rights.

### SECURITIES RECEIVED THAT ARE PERFORMANCE RELATED

Other that the options set out above, no members of Key Management Personnel received additional securities during the period which were dependent upon the performance of the Company's share price as part of their remuneration package.

### USE OF REMUNERATION CONSULTANTS

The Company did not engage any remuneration consultants during the 2013 financial year.

### VOTING AND COMMENTS MADE AT THE COMPANY'S 2012 ANNUAL GENERAL MEETING

Of the eligible shareholders able to vote on the resolution, Mindax received unanimous approval on its remuneration report for the 2012 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

### END OF AUDITED REMUNERATION REPORT AND END OF DIRECTORS' REPORT

The Directors' Report, including the Operations and Financial Review and Remuneration Report, is signed in accordance with a resolution of the Board of Directors:

On behalf of the Directors

**Dr Steve Ward**
Managing Director and
Chief Executive Officer

Dated this 19th day of September 2013

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Fax: +8 6382 4601
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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

19 September 2013

Board of Directors
Mindax Limited
Level 2, 25 Richardson St
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 2013, 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 Audit (WA) Pty Ltd**
Perth, Western Australia

# DIRECTORS' DECLARATION

In the directors' opinion:

1. The financial statements and notes set out on pages 57 to 91 are in accordance with the Corporations Act 2001 (Commonwealth), including:

   (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date, and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

4. The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

**Dr Steve Ward**
Managing Director and
Chief Executive Officer

Dated this 19th day of September 2013

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Australia

# 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 balance sheet as at 30 June 2013, the consolidated statement of profit or loss and other 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 gives a true and fair view and 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the rekasonableness 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 2013 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.

**Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of $1,814,133 during the year ended 30 June 2013 and incurred net cash outflows from operations of $701,023. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about consolidated entity's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. 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.

**Opinion**

In our opinion, the Remuneration Report of Mindax Limited for the year ended 30 June 2013 complies with Section 300A of the *Corporations Act 2001*.

**BDO Audit (WA) Pty Ltd**

BDO

**Phillip Murdoch**
Director

Perth, Western Australia
Dated the 19th day of September 2013

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

| | Note | 2013<br>$ | 2012<br>$ |
|---|---|---|---|
| Revenue from continuing operations | (2) | 1,577,423 | 900,679 |
| Advertising | | (73,193) | (83,565) |
| Exploration expenditure written off | (8) | (952,530) | (153,720) |
| Compliance and regulatory expenses | | (48,215) | (55,451) |
| Legal and professional expenses | | (435,757) | (1,159,097) |
| Depreciation and amortisation expense | | (17,653) | (25,033) |
| Directors fees | | (289,388) | (214,006) |
| Remuneration and employee expenses | | (1,032,180) | (842,948) |
| Share based payments – director & employee options | (24) | (115,419) | (146,000) |
| Travel expenses | | (192,962) | (142,439) |
| Other expenses | | (234,259) | (377,633) |
| **LOSS BEFORE INCOME TAXES** | | **(1,814,133)** | **(2,299,213)** |
| Income tax expense | (3) | - | - |
| Other comprehensive income | | - | - |
| **TOTAL COMPREHENSIVE LOSS FOR THE YEAR** | | **(1,814,133)** | **(2,299,213)** |
| **LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY** | | **(1,814,133)** | **(2,299,213)** |

| EARNINGS PER SHARE | | 2013 | 2012 |
|---|---|---|---|
| Basic earnings (loss) per share (cents) | (13) | (0.812) | (1.32) |
| Diluted earnings (loss) per share (cents) | (13) | N/A | N/A |

The above consolidated statement of P&L and Other Income should be read in conjunction with the accompanying notes.

## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2013

| | Note | 2013<br>$ | 2012<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | (4) | 3,459,634 | 2,201,405 |
| Trade and other receivables | (5) | 234,475 | 162,842 |
| Prepayments | (6) | 58,893 | 42,210 |
| **TOTAL CURRENT ASSETS** | | **3,753,002** | **2,406,457** |
| **NON CURRENT ASSETS** | | | |
| Prepayments | (6) | 60,000 | - |
| Plant and equipment | (7) | 244,070 | 278,931 |
| Other assets | | 2,885 | 2,885 |
| Exploration and evaluation assets | (8) | 24,160,253 | 20,718,976 |
| **TOTAL NON CURRENT ASSETS** | | **24,467,208** | **21,000,792** |
| **TOTAL ASSETS** | | **28,220,210** | **23,407,249** |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | (9) | 1,431,315 | 423,466 |
| Provisions | (10) | 126,439 | 100,637 |
| **TOTAL CURRENT LIABILITIES** | | **1,557,754** | **524,103** |
| **NON CURRENT LIABILITIES** | | | |
| Provisions | (10) | - | - |
| **TOTAL NON CURRENT LIABILITIES** | | **-** | **-** |
| **TOTAL LIABILITIES** | | **1,557,754** | **524,103** |
| **NET ASSETS** | | **26,662,456** | **22,883,146** |
| **EQUITY** | | | |
| Issued capital | (11) | 39,353,930 | 33,875,906 |
| Reserves | (12) | 795,570 | 680,151 |
| Accumulated losses | (12) | (13,487,044) | (11,672,911) |
| **TOTAL EQUITY** | | **26,662,456** | **22,883,146** |

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

| 2012 | Ordinary Shares $ | Accumulated Losses $ | Share Based Payment Reserve $ | Total $ |
|---|---|---|---|---|
| Balance at 1 July 2011 | 27,752,473 | (9,369,973) | 624,151 | 19,006,651 |
| Profit (loss) attributable to owners of the parent entity | - | (2,299,213) | - | (2,299,213) |
| Adjustment to prior year accumulated losses | - | (3,725) | - | (3,725) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the year | - | (2,302,938) | - | (2,302,938) |
| Shares issued during the year | 6,500,708 | - | - | 6,500,708 |
| Shares issued during the year under the Company employee share scheme | 90,000 | - | - | 90,000 |
| Options issued during the year under the Company employee option scheme | - | - | 56,000 | 56,000 |
| Transaction costs | (467,275) | - | - | (467,275) |
| **Sub-total** | 6,123,433 | (2,302,938) | 56,000 | 3,876,495 |
| **Balance at 30 June 2012** | **33,875,906** | **(11,672,911)** | **680,151** | **22,883,146** |

| 2013 | Ordinary Shares $ | Accumulated Losses $ | Share Based Payment Reserve $ | Total $ |
|---|---|---|---|---|
| Balance at 1 July 2012 | 33,875,906 | (11,672,911) | 680,151 | 22,883,146 |
| Profit (loss) attributable to owners of the parent entity | - | (1,814,133) | - | (1,814,133) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the year | - | (1,814,133) | - | (1,814,133) |
| Shares issued during the year | 5,735,868 | - | - | 5,735,868 |
| Options issued during the year under the Company employee option scheme | - | - | 136,219 | 136,219 |
| Options cancelled during the year under the Company employee option scheme | - | - | (20,800) | (20,800) |
| Transaction costs | (257,844) | - | - | (257,844) |
| **Sub total** | 5,478,024 | (1,814,133) | 115,419 | 3,779,310 |
| **Balance at 30 June 2013** | **39,353,930** | **(13,487,044)** | **795,570** | **26,662,456** |

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

| Statement Of Cash Flows | Note | 2013<br>$ | 2012<br>$ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Payments to suppliers and employees | | (2,269,721) | (2,753,307) |
| Interest received | | 121,186 | 197,240 |
| Due diligence exclusivity fee | | 250,000 | - |
| Research and development tax concession | | 1,197,512 | 702,768 |
| **Net cash used in operating activities** | **(22)** | **(701,023)** | **(1,853,299)** |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Purchase of property, plant and equipment | | (26,012) | (39,706) |
| Proceeds from sale of property, plant and equipment | | - | 55,000 |
| Meekatharra North Joint Venture Funding | | 500,000 | - |
| Payment for exploration expenditure | | (3,992,760) | (3,955,991) |
| **Net cash used in investing activities** | | **(3,518,772)** | **(3,940,697)** |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Proceeds from issue of shares | | 5,735,868 | 6,500,708 |
| Payment of share issue costs | | (257,844) | (479,683) |
| **Net cash from financing activities** | | **5,478,024** | **6,021,025** |
| | | | |
| Net (decrease) increase in cash and cash equivalents held | | 1,258,229 | 227,029 |
| Cash and cash equivalents at beginning of financial year | | 2,201,405 | 1,974,376 |
| **CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR:** | **(4)** | **3,459,634** | **2,201,405** |

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

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.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act. Mindax Limited is a for-profit entity for the purpose of preparing the financial statements.

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.

### 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.

### Government grants (Research and development)

Grants from the government are recognised as other income at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

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

The Group has recognised research and development tax concession rebates received from the Australian Tax Office as revenue. No GST applies to these rebates.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

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.

## 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 recognised 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.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.

### 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 | 2 - 15 years |
| Mr Forrest Iron Project - Camp site | 2 - 10 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.

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.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the Chief Executive Officer and Managing Director, Dr Steve Ward.

### 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.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

### Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes formula taking into account the terms, conditions and probability upon which the instruments were granted.

### 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.

### 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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

### Mineral Resources Rent Tax

On 19 March 2012, the Australian Government passed through the Senate, the Minerals Resource Rent Tax Act 2012, with application to certain profits arising from the iron ore and coal extracted in Australia. In broad terms, the tax is imposed on a project-by-project basis.

This tax applies to upstream mining operations only, and the effective rate of Minerals Resource Rent Tax is 22.5%.

This tax is considered to be an "income tax" for the purposes of AASB 112.

Certain transition measures are contained in the legislation which can give rise to deductions in future years, for Minerals Resource Rent Tax purposes.

Any modelling and/or valuations performed on behalf of the Group may give rise to an increase in the balance of deferred tax assets at 30 June 2013. However, given the nature of the Group's operations (i.e.: primarily exploration) and the infancy of the Group's Iron Ore project, the Group has not recognised such amounts as at 30 June 2013 under Deferred Tax Assets (refer to Note (3): Income Tax Expense).

### Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the year the consolidated entity incurred a net loss of ($1,814,133) and incurred net cash outflows from operating activities of ($701,023).

The ability of the consolidated entity to continue as a going concern is dependent on the continued support of its strategic (JV) partners and the consolidated entity being able to raise additional funds as required to fund ongoing exploration commitments, conduct feasibility studies on the Company's projects and for working capital. The directors believe that they will be able to raise additional capital as required and are in the process of evaluating the consolidated entity's cash requirements. The directors believe that the consolidated entity will continue as a going concern. As a result the financial report has been prepared on a going concern basis. However should the consolidated entity be unsuccessful in undertaking additional raisings, or continue with funding from joint venture partnerships, the consolidated entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability of assets and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

- AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

  There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

- In August 2011, the AASB issued a suite of new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

  - AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. While the Group does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

  - AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

    The Group's investment in any new formal joint venture partnerships will be classified as joint ventures under the new rules. As the Group already applies the equity method in accounting for such investments, AASB 11 will not have any impact on the amounts recognised in its future financial statements.

  - AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's Investments.

    Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The Group is still assessing the impact of these amendments.

The Group will adopt the new standards from their operative date. They will therefore be applied in the financial statements for the annual reporting period ending 30 June 2014.

Note however, that the Group's Yilgarn-Avon Joint Venture and the Meekatharra North Joint Venture are considered to be a 'strategic partnership' and a 'deferred farm-in/farm-out arrangement' respectively; and as they don't meet the definition of a Jointly Controlled Asset (Joint Operation) or Joint Venture Entity their separate disclosure is not required in this report.

- AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

  However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group will adopt the new standard from its operative date, which means that it will be applied in the annual reporting period ending 30 June 2014.

- AASB 119 (Revised) Employee Benefits - In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively.

  The Group will apply the new standard when it becomes operative, being from 1 July 2013.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### Parent entity financial information

The financial information for the parent entity, Mindax Limited, disclosed in Note (26) "Parent entity" has been prepared on the same basis as the consolidated financial statements, except as set out below.

#### *(i) Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Mindax. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

#### *(ii) Tax consolidation legislation*

Mindax Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation and are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Mindax Limited.

#### *(iii) Financial guarantees*

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

#### *(iv) Share-based payments*

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

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

## 2) REVENUE AND OTHER INCOME

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| **Revenue from continuing operations** | | |
| Interest revenue | 125,001 | 166,974 |
| Other revenue | 3,914 | 30,937 |
| | 128,915 | 197,911 |
| **Other income** | | |
| Research and development tax concession | 1,178,994 | 688,359 |
| Interest income on research and development tax concession | 18,518 | 14,409 |
| TFN credits | 996 | - |
| Due diligence fee on Mt Forrest Project | 250,000 | - |
| | 1,448,508 | 702,768 |
| | 1,577,423 | 900,679 |

## 3) INCOME TAX EXPENSE

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| **(a) The components of tax expense comprise:** | | |
| Current tax | - | - |
| Deferred tax | - | - |
| R & D tax concession | - | - |
| **(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 | (1,814,133) | (2,299,213) |
| Income tax (benefit) at 30% (2012:30%) | (544,240) | (689,764) |
| Add /(less): | | |
| Tax effect of amounts which are (deductible)/taxable: | | |
| – Share based payments | 34,626 | 43,800 |
| – Tenement expenditure write-off | 285,759 | 46,116 |
| – ITRAA 1997 s40 730 Exploration Expenditure | (1,318,142) | (1,589,936) |
| – Write off for business related capital costs | (97,908) | (96,746) |
| – Sundry non deductable items | 29,766 | 103,821 |
| – Sundry non assessable items | (61,527) | (73,975) |
| | (1,671,666) | (2,256,684) |
| R & D tax concession | (353,399) | (206,508) |
| Income tax expense/(benefit) not recognised | 2,025,065 | 2,463,192 |
| Total income tax expense/(benefit) | - | - |

## 3) INCOME TAX EXPENSE (continued)

| | 2013 $ | 2012 $ |
|---|---|---|
| **(c) Tax losses:** | | |
| Unused tax losses for which no deferred tax assets has been recognised | 34,078,739 | 29,946,294 |
| Potential tax benefit at 30% | 10,223,622 | 8,983,888 |

| | 2013 $ | 2012 $ |
|---|---|---|
| **(d) Unrecognised temporary differences:** | | |
| Deferred tax assets | | |
| – Tax losses | 10,223,622 | 8,983,888 |
| – Capital raising costs | 204,075 | 218,156 |
| – Blackhole expenditure | 10,613 | 14,150 |
| – Other temporary differences | 54,238 | 90,424 |
| Deferred tax liabilities | | |
| – Capitalised exploration expenditure | (7,248,076) | (6,215,693) |
| – Other temporary differences | 1,178 | 754 |
| Net deferred tax assets | 3,245,650 | 3,091,679 |

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 2013 is contingent upon the following:

(i) the Group deriving future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and

(iii) there being no changes in tax legislation, adversely affect which adversely affect the Group from realising the benefit.

## 4) CASH AND CASH EQUIVALENTS

| | 2013 $ | 2012 $ |
|---|---|---|
| Cash on hand | 3,459,634 | 2,201,405 |

## 5) TRADE AND OTHER RECEIVABLES

| | 2013 $ | 2012 $ |
|---|---|---|
| CURRENT | | |
| Sundry Debtors | 85,025 | 15,129 |
| Term deposits | 149,450 | 147,713 |
| | 234,475 | 162,842 |

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

Details on the Group's term deposits, provided as security for bank guarantees, are set out in Note (20) "Contingent Asset & Liabilities".

## 6) OTHER ASSETS (CURRENT)

| | 2013 $ | 2012 $ |
|---|---|---|
| CURRENT | | |
| Prepayments | 58,893 | 42,210 |
| | 58,893 | 42,210 |
| NON-CURRENT | | |
| Prepayments | 60,000 | - |
| | 60,000 | - |

## 7) PLANT AND EQUIPMENT

| | 2013 $ | 2012 $ |
|---|---|---|
| At cost | 582,378 | 568,783 |
| Accumulated depreciation | (393,473) | (342,608) |
| | 188,905 | 226,175 |
| Campsite | | |
| At cost | 82,931 | 70,566 |
| Accumulated depreciation | (27,766) | (17,810) |
| | 55,165 | 52,756 |
| **Total plant and equipment** | **244,070** | **278,931** |

## 7) PLANT AND EQUIPMENT (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 $ |
|---|---|---|---|
| **At 30 June 2012** | | | |
| Opening net book value | 312,932 | 50,572 | 363,504 |
| Additions | 26,457 | 12,604 | 39,061 |
| Disposals | (50,000) | - | (50,000) |
| Profit/(loss) on disposal of asset | 14,272 | - | 14,272 |
| Accumulated depreciation | (14,616) | (10,420) | (25,036) |
| Depreciation capitalised to exploration and evaluation assets | (62,870) | - | (62,870) |
| Net book value | 226,175 | 52,756 | 278,931 |

| | Plant and Equipment $ | Campsite $ | Total $ |
|---|---|---|---|
| **At 30 June 2013** | | | |
| Opening net book value | 226,175 | 52,756 | 278,931 |
| Additions | 13,809 | 12,365 | 26,174 |
| Disposals | (45) | - | (45) |
| Profit/(loss) on disposal of asset | (117) | - | (117) |
| Accumulated depreciation | (7,697) | (9,956) | (17,653) |
| Depreciation capitalised to exploration and evaluation assets | (43,220) | - | (43,220) |
| Net book value | 188,905 | 55,165 | 244,070 |

## 8) EXPLORATION AND EVALUATION ASSETS

| | 2013 $ | 2012 $ |
|---|---|---|
| Exploration expenditure | 24,160,253 | 20,718,976 |
| EXPLORATION AND EVALUATION ASSETS | | |
| Balance at the beginning of the year | 20,718,976 | 15,572,909 |
| Expenditure incurred | 4,350,587 | 5,236,917 |
| Depreciation capitalised | 43,220 | 62,870 |
| Impairment (write off) | (952,530) | (153,720) |
| Balance at end of the year | 24,160,253 | 20,718,976 |

*Note: 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.*

## 9) TRADE AND OTHER PAYABLES

| | 2013 $ | 2012 $ |
|---|---|---|
| CURRENT | | |
| Trade payables | 536,226 | 56,849 |
| Accruals and other payables | 895,089 | 366,617 |
| | 1,431,315 | 423,466 |

In relation to Accruals and Other Payments, an amount of $353,423 is held for the Meekatharra North Gold Project (deferred farm-in/farm-out arrangement), which is being drawn down over a period of time as exploration activities are undertaken. Payment was received in accordance with the terms of the arrangement and is being drawn down pursuant to a budget approved by the joint arrangement parties.

## 10) PROVISIONS

| | 2013 $ | 2012 $ |
|---|---|---|
| CURRENT | | |
| Employee entitlements | 120,898 | 94,787 |
| Other | 5,541 | 5,850 |
| | 126,439 | 100,637 |

## 11) ISSUED CAPITAL

| | 2013 $ | 2012 $ |
|---|---|---|
| **SHARES ON ISSUE** | | |
| 252,303,570 fully paid ordinary shares (2012: 188,616,911) | 41,517,929 | 35,782,061 |
| Share issue costs written off against issued capital | (2,163,999) | (1,906,155) |
| | 39,353,930 | 33,875,906 |

| **MOVEMENT IN ORDINARY SHARES** | No. | $ |
|---|---|---|
| **Balance at 30 June 2011** | **151,514,567** | **29,191,353** |
| Options converted at $0.75 each to shares on 13 July 2011 | 2 | 2 |
| Options converted at $0.75 each to shares on 18 July 2011 | 7 | 5 |
| Shares issued for working capital at $0.25 on 15 August 2011 | 19,000,000 | 4,750,000 |
| Shares issued to company employees on 11 October 2011 | 600,000 | 90,000 |
| Shares issued for working capital at $0.10 on 28 February 2012 | 17,500,000 | 1,750,000 |
| Options converted at $0.30 each to shares on 1 May 2012 | 2,000 | 600 |
| Options converted at $0.30 each to shares on 8 May 2012 | 330 | 99 |
| Options converted at $0.35 each to shares on 1 June 2012 | 5 | 2 |
| Shares issued for working capital at $0.085 each on 6 September 2012 | 8,000,000 | 680,000 |
| Shares issued for working capital at $0.085 each on 3 December 2012 | 29,492,537 | 2,506,866 |
| Conversion of Convertible Note at $0.085 per share on 3 December 2012 | 4,694,118 | 399,000 |
| Options converted at $0.35 each to shares on 20 December 2012 | 2 | 1 |
| Shares issued for working capital at $0.10 each on 11 January 2013 | 16,500,000 | 1,650,000 |
| Shares issued for working capital at $0.10 each on 7 February2013 | 5,000,000 | 500,000 |
| Options converted at $0.35 each to shares on 21 June 2013 | 2 | 1 |
| **Balance at 30 June 2013** | **252,303,570** | **41,517,929** |

### OPTIONS

For information relating to share options issued to Key Management Personnel (including issued under the Company's Employee Option Scheme) during the financial year please refer to Note (24) "Share based Payments".

The current Mindax Employee Option Scheme (EOS) was approved by shareholders at the 2011 AGM; with an updated EOS to be presented at the Company's 2013 Annual General Meeting for shareholder approval.

The purpose of the EOS is to provide a means by which employees (excluding non-executive directors of the Company), 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.

## 11) ISSUED CAPITAL (continued)

The key terms of the current 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 when Options are offered to the Employee;
- 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 8,702,321 options over ordinary shares in the Company as at 30 June 2013, of which 6,200,000 options are on issue to eligible employees (2012: 4,050,000).

| MOVEMENT IN OPTIONS | No. |
|---|---|
| **Balance at 30 June 2011** | **2,350,000** |
| Issued on 11 October 2011 | 1,750,000 |
| Issued on 11 October 2011 | 1,750,000 |
| Expired without exercise on 31 March 2012 | (1,800,000) |
| Issued on 1 May 2012 | 2,330 |
| Exercised on 9 May 2012 | (5) |
| Expired without exercise on 1 August 2012 | (250,000) |
| Expired without exercise on 12 October 2012 | (300,000) |
| Issued on 9 November 2012 | 4,000,000 |
| Issued on 10 December 2012 | 2,500,000 |
| Options converted to shares on 20 December 2012 | (2) |
| Lapsed without exercise on 31 May 2013 | (650,000) |
| Lapsed without exercise on 31 May 2013 | (650,000) |
| Options converted to shares on 21 June 2013 | (2) |
| **Balance at 30 June 2013** | **8,702,321** |

### 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 raising capital 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) OTHER RESERVES AND ACCUMULATED LOSSES

### SHARE BASED PAYMENT RESERVE

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

| | 2013 $ | 2012 $ |
|---|---|---|
| **RESERVES** | | |
| Employee equity-settled benefits | 795,570 | 680,151 |
| | | |
| Employee equity-settled benefits reserve | | |
| Balance at beginning of financial year (1 July 2012) | 680,151 | 624,151 |
| Share-based payments | 136,219 | 56,000 |
| Share-based payments reversed on cancellation of employee options | (20,800) | - |
| **Balance at 30 June 2013** | **795,570** | **680,151** |

The employee equity settled benefits reserve arises on the grant of share options to parties under the EOS. 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".

### ACCUMULATED LOSSES

| | 2013 $ | 2012 $ |
|---|---|---|
| Movement in accumulated losses were as follows: | | |
| Balance 1 July 2012 | (11,672,911) | (9,369,973) |
| Net loss for the year | (1,814,133) | (2,299,213) |
| Prior year adjustment | - | (3,725) |
| Balance at 30 June 2013 | (13,487,044) | (11,672,911) |

## 13) EARNINGS PER SHARE (EPS)

| | 2013 $ | 2012 $ |
|---|---|---|
| Earnings used to calculate basic and diluted EPS | (1,814,133) | (2,299,213) |

Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS:

| | No. | No. |
|---|---|---|
| Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 223,287,016 | 174,603,726 |
| Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS | 223,287,016 | 174,603,726 |

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

| | 2013 $ | 2012 $ |
|---|---|---|
| **(a) Lease Commitments – Non-Cancellable** | | |
| Payable | | |
| – not later than 12 months | 295,681 | 309,829 |
| – between 12 months and 5 years | 70,329 | 361,134 |
| | 366,010 | 670,963 |
| **(b) Lease Commitments – Cancellable** | | |
| Payable | | |
| – not later than 12 months | - | 222 |
| – between 12 months and 5 years | - | - |
| | - | 222 |
| **(c) Exploration Expenditure Commitments** | | |
| Payable | | |
| not later than 12 months | 1,578,300 | 1,962,100 |
| – between 12 months and 5 years | 8,266,700 | 10,032,400 |
| – greater than 5 years | 1,975,300 | 2,618,100 |
| | 11,820,300 | 14,612,600 |

The above commitments include exploration commitments of 100% relating to the Yilgarn-Avon Joint Venture (YAJV), despite Mindax's equity position in the YAJV sitting at circa 81%.

Quasar, the joint partner in the YAJV, opted not to pay its capital expenditure commitments for the year ended 30 June 2013; and it is likely their position will remain unchanged for the 2013-2014 financial year, albeit discussions on the 2014 exploration programme are at an early stage. Accordingly, Quasar's share of the joint venture will continue to dilute, resulting in an increase in the Group's interest in the YAJV.

Management is of the opinion that the Group's interest in the YAJV is likely to increase in the future and has therefore assessed its exploration commitment at 100% of total exploration expenditure commitments.

## 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 | 2013 $ | 2012 $ |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and cash equivalents | (4) | 3,459,634 | 2,201,405 |
| Trade and other receivables | (5) | 234,475 | 162,842 |
| **Total Financial Assets** | | 3,694,109 | 2,364,247 |
| **Financial Liabilities** | | | |
| Trade and other payables | (9) | 1,431,315 | 423,466 |
| **Total Financial Liabilities** | | 1,431,315 | 423,466 |

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 expose 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.

## 15) FINANCIAL RISK MANAGEMENT (continued)

### 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.

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.

## 15) FINANCIAL RISK MANAGEMENT (continued)

*Financial liability and financial asset maturity analysis*

| | Within 1 Year | | 1 To 5 Years | | Total Contractual Cash Flow | |
|---|---|---|---|---|---|---|
| | 2013 $ | 2012 $ | 2013 $ | 2012 $ | 2013 $ | 2012 $ |
| **Financial liabilities due for payment** | | | | | | |
| Trade and other payables | 1,431,315 | 423,466 | - | - | 1,431,315 | 423,466 |
| Total contractual outflows | 1,431,315 | 423,466 | - | - | 1,431,315 | 423,466 |
| **Financial assets cash flows realisable** | | | | | | |
| Trade and other receivables | 234,475 | 162,842 | - | - | 234,475 | 162,842 |
| Total anticipated inflows | 234,475 | 162,842 | - | - | 234,475 | 162,842 |

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 earned interest income at a rate of 4.23% per annum during the financial year.

## 16) OPERATING SEGMENTS

### IDENTIFICATION OF REPORTABLE SEGMENTS

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

This has resulted in the segment being disaggregated into four reportable segments based on the minerals present in the Projects detailed in the Quarterly Activities Report released to the Australian Securities Exchange each quarter, prepared by the Managing Director. Based on the contents of this report, the four reportable segments identified are:

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

## 16) OPERATING SEGMENTS (continued)

Segment information provided to the directors for the year ended 30 June 2013 is as follows:

| CONSOLIDATED | URANIUM | GOLD | COPPER & GOLD | IRON ORE | TOTAL |
|---|---|---|---|---|---|
| **Year ended 30 June 2013** | **$** | **$** | **$** | **$** | **$** |
| Total segment revenue | - | - | - | - | - |
| Intersegment revenue | - | - | - | - | - |
| Revenue from external customers | - | - | - | - | - |
| Reportable segment loss | 396,244 | - | 556,286 | - | 952,530 |
| **Year ended 30 June 2012** | | | | | |
| Total segment revenue | - | - | - | - | - |
| Intersegment revenue | - | - | - | - | - |
| Revenue from external customers | - | - | - | - | - |
| Reportable segment loss | - | 12,938 | 140,782 | - | 153,720 |
| **Total segment assets** | | | | | |
| 30 June 2013 | 5,405,637 | 862,454 | 639,583 | 17,252,579 | 24,160,253 |
| 30 June 2012 | 4,463,608 | 815,927 | 932,183 | 14,507,258 | 20,718,976 |

Reportable segment liabilities are reconciled to total liabilities as follows:

| | 2013 $ | 2012 $ |
|---|---|---|
| **Segment liabilities** | - | - |
| Intersegment eliminations | - | - |
| **Unallocated** | | |
| Trade and other payables | 1,431,315 | 423,466 |
| Provisions | 126,439 | 100,637 |
| **Total liabilities as per the balance sheet** | **1,557,754** | **524,103** |

## 16) OPERATING SEGMENTS (continued)

Reportable segment assets are reconciled to total assets as follows:

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| **Segment assets** | **24,160,253** | **20,718,976** |
| Intersegment eliminations | - | - |
| **Unallocated** | | |
| Cash and cash equivalents | 3,459,634 | 2,201,405 |
| Trade and other receivables | 234,475 | 162,842 |
| Prepayments – current | 58,893 | 42,210 |
| Other current assets | - | - |
| Prepayments – non-current | 60,000 | - |
| Property, plant and equipment | 244,070 | 278,931 |
| Other non-current assets | 2,885 | 2,885 |
| **Total assets as per the balance sheet** | **28,220,210** | **23,407,249** |

| **TOTAL PROFIT OR LOSS FOR REPORTABLE SEGMENTS** | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Intersegment eliminations | | |
| ***Allocated Segment Amounts*** | | |
| Uranium | (396,244) | - |
| Gold | - | (12,938) |
| Copper & Gold | (556,286) | (140,782) |
| Iron Ore | - | - |
| **Total: Allocated Segment Amounts** | (952,530) | (153,720) |
| ***Unallocated amounts*** | | |
| Finance costs | (3,708) | (2,160) |
| Interest revenue | 125,001 | 166,974 |
| Other revenue | 254,910 | 30,937 |
| Other revenue – R & D tax concession (including interest) | 1,197,512 | 702,768 |
| Depreciation and amortisation | (17,653) | (25,033) |
| Share-based payments | (115,419) | (146,000) |
| Other expenses | (2,302,246) | (2,872,979) |
| **Total: Allocated Segment Amounts** | (861,603) | (2,145,493) |
| **Loss before income tax from continuing operations** | **(1,814,133)** | **(2,299,213)** |

## 17) KEY MANAGEMENT PERSONNEL DISCLOSURES

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

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Short-term employee & director benefits | 1,513,304 | 1,348,851 |
| Post employment benefits | - | 253,999 |
| Share based payments | 136,219 | 138,000 |
| **Totals** | **1,649,523** | **1,740,850** |

### KEY MANAGEMENT PERSONNEL OPTION 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 2013 | 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 |
|---|---|---|---|---|---|---|---|
| G George | - | 1,000,000 | - | - | 1,000,000 | - | - |
| S Ward | - | 4,000,000 | - | - | 4,000,000 | - | - |
| A Tsang | - | 500,000 | - | - | 500,000 | - | - |
| B Chow | - | 500,000 | - | - | 500,000 | - | - |
| E Loh | - | 500,000 | - | - | 500,000 | - | - |
| C Pougnault | 1,000,000 | - | - | - | 1,000,000 | - | 1,000,000 |
| J Vinar | 1,000,000 | - | - | - | 1,000,000 | - | 1,000,000 |
| S Lane | 1,050,000 | - | - | (1,050,000) | - | - | - |
| J Stacpoole | - | - | - | - | - | - | - |
| **Totals** | **3,050,000** | **6,500,000** | **-** | **(1,050,000)** | **8,500,000** | **-** | **2,000,000** |

*Note:* "Other changes during the year" in the above table reflects options which expired or lapsed during the financial year, without exercise.

| 30 June 2012 | 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 |
|---|---|---|---|---|---|---|---|
| G George | 1,698,312 | - | - | (1,698,312) | - | - | - |
| A Tsang | 16,325,055 | - | - | (16,325,055) | - | - | - |
| B Chow | 320,000 | - | - | (320,000) | - | - | - |
| E Loh | - | - | - | - | - | - | - |
| C Pougnault | - | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| J Vinar | - | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| S Lane | 50,000 | 1,000,000 | - | - | 1,050,000 | - | 1,050,000 |
| G Bromley | 3,297,500 | - | - | (3,297,500) | - | - | - |
| K Pettit | 115,000 | - | - | (115,000) | - | - | - |
| J Stacpoole | - | - | - | - | - | - | - |
| **Totals** | **21,805,867** | **3,000,000** | **-** | **(21,755,867)** | **3,050,000** | **-** | **3,050,000** |

*Note*: "Other changes during the year" in the above table reflects options which expired or lapsed during the financial year, without exercise.

## 17) KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

### KEY MANAGEMENT PERSONNEL SHAREHOLDING

The number of ordinary shares in Mindax 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 2013** | | | | | |
| G George | 4,311,413 | - | - | - | 4,311,413 |
| S Ward | - | - | - | - | - |
| A Tsang | 43,070,425 | - | - | 4,694,118 | 47,764,543 |
| B Chow | 196,000 | - | - | - | 196,000 |
| E Loh | - | - | - | - | - |
| Y Li | - | - | - | - | - |
| C Pougnault | 200,000 | - | - | - | 200,000 |
| J Vinar | 200,000 | - | - | - | 200,000 |
| S Lane | 305,000 | - | - | - | 305,000 |
| J Stacpoole | - | - | - | - | - |
| **Totals** | **48,282,838** | **-** | **-** | **4,694,118** | **52,976,956** |

*Note*: "Other changes during the year" for Andrew Tsang reflects changes in shareholdings as a result of the conversion of a Convertible Note issued to Mr Tsang's mother, Ms Lai You.

| | 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 2012** | | | | | |
| G George | 2,896,625 | - | - | 1,414,788 | 4,311,413 |
| A Tsang | 32,230,112 | - | - | 10,840,313 | 43,070,425 |
| B Chow | 140,000 | - | - | 56,000 | 196,000 |
| E Loh | - | - | - | - | - |
| C Pougnault | - | 200,000 | - | - | 200,000 |
| J Vinar | - | 200,000 | - | - | 200,000 |
| S Lane | 100,000 | 200,000 | - | 5,000 | 305,000 |
| G Bromley | 5,595,001 | - | - | 200,000 | 5,795,001 |
| K Pettit | 510,206 | - | - | 102,041 | 612,247 |
| J Stacpoole | - | - | - | - | - |
| **Totals** | **41,471,944** | **600,000** | **-** | **12,618,142** | **54,690,086** |

Note: "Other changes during the year" reflects changes in shareholdings as a result of a rights issue allocation plus on-market transactions.

## 17) KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

There have been no other transactions involving equity instruments other than those described in the tables above.

### OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

On the resignation of G Bromley as Managing Director the Board formed a temporary working committee from its members to oversee the operations of the Company until the appointment of S Ward on 30 July 2012. For the period ended 30 June 2013, Messrs Chow and Stacpoole were paid consulting fees of $21,000 and $31,206 respectively for the additional time requirements for their role on the working committee.

The above specific consultancy services to the Company were on reasonable arm's length, commercial terms. For details of other transactions with key management personnel, refer to Note (21) "Related Party Transactions".

## 18) AUDITORS' REMUNERATION

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| **Audit and other assurance services** | | |
| Audit and review of financial statements (BDO Audit (WA) Pty Ltd) | 37,238 | 35,150 |
| **Other services** | | |
| Mineral Resources Rent Taxation advice (BDO (WA) Pty Ltd) | - | 6,064 |

## 19) CONTROLLED ENTITIES

| Name | Country of incorporation | Percentage owned (%)* 2013 | Percentage owned (%)* 2012 |
|---|---|---|---|
| **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 | 100 |

Note: * Percentage of voting power is in proportion to ownership

**Acquisitions/Disposals of controlled entities**
Nil.

## 20) CONTINGENT ASSET & LIABILITIES

A term deposit of $20,000 has been secured by the Company's bankers to provide a bank guarantee in favour of the Minister for the Department of Mines and Petroleum as an unconditional performance bond on E57/555. This tenement has been surrendered by the Company and the unconditional performance bond is in the process of being released. As such the funds will be available for Company use in due course.

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.

## 21) 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.

### Conversion of Convertible Note

On 27 September 2012 the Company issued a Convertible Note for $399,000 to Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang. Following shareholder approval received at the Company's 2012 AGM, the Company converted the Note into 4,694,118 fully paid ordinary shares at $0.085 per share.

### Issue of Options to Directors

On 9 November 2012 the Company issued 4,000,000 unlisted options exercisable at $0.108 per option and expiring on 9 November 2015 to the Managing Director and Chief Executive Officer of the Company, Dr Steve Ward. The unlisted options were issued pursuant to Dr Ward's employment agreement and subsequent shareholder approval received at a general meeting held on 1 November 2012.

On 10 December 2012 the Company issued 2,500,000 unlisted options exercisable at $0.11 per option and expiring on 10 December 2015 to non-executive directors pursuant to shareholder approval received at the Company's 2012 Annual General Meeting, summarised as follows:

- 1,000,000 options to a party nominated by Mr Gilbert George, being the Gilbert George Superannuation Fund;
- 500,000 options to a party nominated by Mr Benjamin Chow, being Sydney Subdivision Pty Ltd;
- 500,000 options to Mr Andrew Tsang; and
- 500,000 options to Mr Loh Kgai Mun.

### Issue of Convertible Note

Subsequent to the end of the financial year, 22 August 2013, the Company issued a Convertible Note for $600,000 to the aforementioned Ms Lai You. The key terms and conditions of the Note are as follows:

- The Note is unsecured.
- The Note will not convert and it will be a condition precedent to its conversion into Shares that shareholder approval to its conversion be obtained as soon as practicable following the issue of the Note and in any event by not later than the Company's 2013 Annual General Meeting.
- The Note shall convert into ordinary fully paid shares at an issue price of $0.12 per share, immediately following the meeting at which shareholders approve the conversion.
- No interest will be payable on the Note unless shareholder approval to the conversion of the Note is not obtained on or before the Company's 2013 Annual General Meeting.
- Interest applicable (in the event of non-approval by shareholders) will accrue at the rate of 9% per annum, capitalised monthly from the date of issue of the Note until the date the Note is repaid.
- If not converted the face value of the Note is to be repaid on 31 January 2014.

### Consulting Fees

On the resignation of Mr Gregory Bromley as Managing Director in April 2012, the Board formed a temporary working committee from its members to oversee the operations of the Company until the appointment of Dr Steve Ward on 30 July 2012. For the period ended 30 June 2013, Messrs Chow and Stacpoole were paid consulting fees of $21,000 and $31,206 respectively for the additional time requirements for their role on the working committee. The specific consultancy services to the Company were on reasonable arm's length, commercial terms.

## 22) CASH FLOW INFORMATION

| | 2013 $ | 2012 $ |
|---|---|---|
| **Reconciliation of cash flow from operations with loss after income tax** | | |
| Net loss for the year | (1,814,133) | (2,299,213) |
| **Non cash flows in Statement of Comprehensive Income** | | |
| Depreciation and amortisation | 17,653 | 25,033 |
| Exploration written off | 952,530 | 153,720 |
| Share based payments (Shares/Options issued under the Company's employee equity schemes) | 115,419 | 146,000 |
| (Gain)/loss on sale of fixed assets | 112 | (14,518) |
| **Changes in assets & liabilities, net of the effects of purchase and disposal of subsidiaries** | | |
| (Increase)/decrease in trade and other receivables | (71,633) | 79,577 |
| (Increase)/decrease in prepayments | (76,683) | 91,768 |
| Increase/(decrease) in trade and other payables | 148,215 | 13,066 |
| Increase/(decrease) in provisions | 27,497 | (48,731) |
| | (701,023) | (1,853,299) |

## 23) NON-CASH INVESTING AND FINANCING ACTIVITIES

Other than unlisted options issued to directors and disclosed under Note (21) "Related Party Transactions" and Note (24) "Share based Payments" there have been no non-cash investing and financing activities.

## 24) SHARE BASED PAYMENTS

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

The following options from share based payments to Employees under the EOS were outstanding at 30 June 2013

| 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) |
|---|---|---|---|---|---|---|---|---|
| 11 Oct 2011 | 30 Sept 2013 | 0.45 | 1,750,000 | - | - | (650,000) | 1,100,000 | 1,100,000 |
| 11 Oct 2011 | 30 Sept 2014 | 0.60 | 1,750,000 | - | - | (650,000) | 1,100,000 | 1,100,000 |
| **Totals** | | | **3,500,000** | **-** | **-** | **(1,300,000)** | **2,200,000** | **2,200,000** |
| Weighted average exercise price | | | $0.53 | - | - | $0.53 | $0.53 | $0.53 |

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.75 years

## 24) SHARE BASED PAYMENTS (continued)

The following options from share based payments made to directors were outstanding at 30 June 2013*

| 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) |
|---|---|---|---|---|---|---|---|---|
| 9 Nov 2012 | 9 Nov 2015 | 0.108 | - | 4,000,000 | - | - | 4,000,000 | - |
| 10 Dec 2012 | 10 Dec 2015 | 0.11 | - | 2,500,000 | - | - | 2,500,000 | - |
| **Totals** | | | **-** | **6,500,000** | **-** | **-** | **6,500,000** | **-** |
| Weighted average exercise price | | | - | $0.109 | - | - | $0.109 | - |

Note *: refer Note (17) "Key Management Personnel" for details.

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.4 years

The following options from share based payments were outstanding at 30 June 2012:

| 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) |
|---|---|---|---|---|---|---|---|---|
| 4 Aug 2008 | 1 Aug 2012 | 0.53 | 250,000 | - | - | - | 250,000 | 250,000 |
| 12 Oct 2009 | 12 Oct 2012 | 0.48 | 300,000 | - | - | - | 300,000 | 300,000 |
| 11 Oct 2011 | 30 Sept 2013 | 0.45 | - | 1,750,000 | - | - | 1,750,000 | 1,750,000 |
| 11 Oct 2011 | 30 Sept 2013 | 0.60 | - | 1,750,000 | - | - | 1,750,000 | 1,750,000 |
| **Totals** | | | **550,000** | **3,500,000** | **-** | **-** | **4,050,000** | **4,050,000** |
| Weighted average exercise price | | | $0.58 | $0.53 | - | - | $0.52 | $0.52 |

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.97 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 | 2013 $ | 2012 $ |
|---|---|---|
| Shares issued under EOS | - | 90,000 |
| Options issued to Key Management Personnel under EOS | - | 48,000 |
| Options issued to other employees under EOS | - | 8,000 |
| Employee options cancelled | (20,800) | |
| Options issued to Directors | 136,219 | - |
| **Totals** | **115,419** | **146,000** |

## 24) SHARE BASED PAYMENTS (continued)

### FAIR VALUE OF OPTIONS GRANTED

During the financial year 6,500,000 unlisted options were granted to directors of the Company. The expense arising from the transaction at reporting date is $136,219.00. The fair value 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 2013 included:

| | 4,000,000 director options issued 9 November 2012 | 2,500,000 director options issued 10 December 2012 |
|---|---|---|
| Exercise price | $0.108 | $0.14 |
| Grant date | 9 November 2012 | 10 December 2012 |
| Expiry date | 9 November 2015 | 10 December 2015 |
| Share price at grant date | $0.085 | $0.09 |
| Expected price volatility of the Company's shares | 100% | 100% |
| Expected dividend yield | 0% | 0% |
| Risk-free interest rate | 2.50% | 2.50% |
| **Fair Value** | **$0.03460** | **$0.03460** |

The model inputs for options granted during the year ended 30 June 2012 included:

| | 1,750,000 Employee options issued 11 October 2011 | 1,750,000 Employee options issued 11 October 2011 |
|---|---|---|
| Exercise price | $0.45 | $0.60 |
| Grant date | 11 October 2011 | 11 October 2011 |
| Expiry date | 30 September 2013 | 30 September 2014 |
| Share price at grant date | $0.15 | $0.15 |
| Expected price volatility of the Company's shares | 65% | 65% |
| Expected dividend yield | 0% | 0% |
| Risk-free interest rate | 3.73% | 3.76% |
| **Fair Value** | **$0.014** | **$0.018** |

## 25) EVENTS AFTER THE END OF THE REPORTING PERIOD

On 21 August 2013 the Company issued a Convertible Note for $600,000 to Ms Lai You, an existing shareholder of the Company and related party to non-executive director, Mr Andrew Tsang. Refer to Note (21) "Related Party Transactions" for details.

## 26) PARENT ENTITY

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

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

| MINDAX LIMITED | 2013<br>$ | 2012<br>$ |
|---|---|---|
| **Assets** | | |
| Current assets | 3,644,733 | 2,402,909 |
| Non-current assets | 26,659,604 | 22,160,907 |
| Total Assets | 30,304,337 | 24,563,816 |
| **Liabilities** | | |
| Current liabilities | (1,557,754) | (550,083) |
| Non-current liabilities | - | - |
| Total Liabilities | (1,557,754) | (550,083) |
| **Equity** | | |
| Issued capital | 39,353,930 | 33,875,906 |
| Accumulated losses | (11,402,917) | (10,542,324) |
| Share based payment reserve | 795,570 | 680,151 |
| Total Equity | 28,746,583 | 24,013,734 |
| Total loss for the year | (860,593) | (2,157,752) |
| Total comprehensive income | (860,593) | (2,157,752) |

### CONTINGENT LIABILITIES

The parent entity has contingent liabilities as at 30 June 2013 that are disclosed in Note (20) "Contingent Asset & Liabilities".

### CONTRACTUAL COMMITMENTS

The parent entity has commitments as at 30 June 2013 that are disclosed in Note (14) "Capital and Leasing Commitments".

The additional information, dated 18 September 2013, 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 | 58 |
| 1,001 - 5,000 | 64 |
| 5,001 - 10,000 | 84 |
| 10,001 - 100,000 | 221 |
| 100,001 – and over | 113 |
| **TOTAL** | **540** |

Number of shareholders holding less than a marketable parcel: 111 (0.58% of issued capital).

### SUBSTANTIAL SHAREHOLDERS (ASX CODE 'MDX'):

| Shareholder Name | Number of shares | % |
|---|---|---|
| Andrew Tsang* | 48,139,543 | 19.080 |
| LAP Exploration Pte Ltd | 32,034,616 | 12.697 |
| HSBC Custody Nominees (Aus) Ltd | 24,263,105 | 9.617 |
| Zhensheng Zhuang# | 23,295,522 | 9.233 |
| Chenfei Zhuang# | 19,844,956 | 7.866 |
| Jupiter Mines Limited | 13,213,579 | 5.237 |
| **TOTAL** | **160,791,321** | **63.730%** |

Note *: The interest held with respect to 15,534,431, 1,355,979, 80,000 and 375,000 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) and the Zeng Superannuation Fund respectively.

Note #: The interest held with respect Messrs Zhuang were declared as an association with a third shareholder, Mr Qi Lin, who holds 5,900,000 (2.34%). Accordingly the associated holding for these three shareholders totals 49,040,478 shares (19.44%).

### 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 issued by Mindax have no voting rights.

### QUOTED SECURITIES:

Mindax Limited is listed on the Australian Securities Exchange.
Shares (ASX Code: MDX) – all 252,303,570 ordinary fully paid shares on issue are quoted securities.

### RESTRICTED SECURITIES:

There are no restricted securities.

**UNLISTED OPTIONS:**

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

a) 1,110,000 employee options with an exercise price of $0.45 and an expiry date of 30 September 2013A

b) 1,110,000 employee options with an exercise price of $0.60 and an expiry date of 30 September 2014A

c) 2,321 options with an exercise price of $0.35 and an expiry date of 31 May 2015.

d) 4,000,000 director options with an exercise price of $0.108 and an expiry date of 9 November 2015B

e) 2,500,000 director options with an exercise price of $0.11 and an expiry date of 10 December 2015B

*Note*: A - Options were issued pursuant to the Company's Employee Option Scheme.
B - Related Party Options - refer to Note (21) "Related Party Transactions".

**TWENTY LARGEST SHAREHOLDERS (ASX CODE 'MDX'):**

| Rank | Name | Units | % of Units |
|---|---|---|---|
| 1 | LAP Exploration Pte Ltd | 32,034,616 | 12.697 |
| 2 | Mr Andrew Tsang | 30,794,133 | 12.205 |
| 3 | HSBC Custody Nominees (Australia) Limited | 24,068,366 | 9.539 |
| 4 | Mr Zhensheng Zhuang | 23,295,522 | 9.233 |
| 5 | Mr Chenfei Zhuang | 19,844,956 | 7.866 |
| 6 | Ms Lai You | 15,534,431 | 6.157 |
| 7 | Jupiter Mines Limited | 13,213,579 | 5.237 |
| 8 | Mr Guo Xiong Zeng | 6,148,971 | 2.437 |
| 9 | Mr Qi Lin | 5,900,000 | 2.338 |
| 10 | Citicorp Nominees Pty Limited | 5,666,643 | 2.246 |
| 11 | Ms Lici Zeng | 5,097,151 | 2.020 |
| 12 | Mr Jian Cai Chen | 5,000,000 | 1.982 |
| 13 | Sherryland Investments Pty Ltd | 4,999,000 | 1.981 |
| 14 | Chipingi Pty Ltd <Bromley Family A/c> | 4,840,000 | 1.918 |
| 15 | Mr Gilbert Charles George | 3,639,413 | 1.442 |
| 16 | Mr Yuanwen Zhu | 3,139,706 | 1.244 |
| 17 | Mr Chengze Yu | 2,398,789 | 0.951 |
| 18 | Ms Mei Ying Yang <The Xin Rong Family A/c> | 1,764,706 | 0.699 |
| 19 | Ms Lixuan Zeng | 1,598,600 | 0.634 |
| 20 | Mr Chaohui Zhang | 1,499,000 | 0.594 |
| **Totals** | | **210,672,321** | **83.500%** |

**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 |
| E70/3266 | Yilgarn-Avon Mortlock | Canternatting Pool | Granted | 81 |
| E70/3616 | Yilgarn-Avon Mortlock | Hulongine | Granted | 81 |
| E70/3617 | Yilgarn-Avon Mortlock | Youloning | Granted | 81 |
| E70/3820 | Yilgarn-Avon Mortlock | Grass Valley/Avon | Granted | 81 |
| E77/1336 | Yilgarn-Avon Mukinbudin | Mukinbudin | Granted | 81 |
| E70/2986 | Yilgarn-Avon Mukinbudin | Mukinbudin | Granted | 81 |
| E70/2920 | Yilgarn-Avon Mukinbudin | Bonnie Rock | Granted | 81 |
| E77/1337 | Yilgarn-Avon Mukinbudin | Mukinbudin | Granted | 81 |
| E77/1405 | Yilgarn-Avon Mukinbudin | Jinadarra | Granted | 81 |
| E70/3661 | Yilgarn-Avon Mukinbudin | Mukinbudin | Granted | 81 |
| E77/1709 | Yilgarn-Avon Mukinbudin | Nierguine | Granted | 81 |
| E77/1710 | Yilgarn-Avon Mukinbudin | Geeranning | Granted | 81 |
| E70/3887 | Yilgarn-Avon Mukinbudin | Mukinbudin | Granted | 81 |
| E77/1918 | Yilgarn-Avon Mukinbudin | Jinadarra | Granted | 81 |
| E70/3039 | Yilgarn-Avon Quairading | Brookton | Granted | 81 |
| E77/1709 | Yilgarn-Avon Mukinbudin | Nierguine | Granted | 81 |
| E77/1710 | Yilgarn-Avon Mukinbudin | Geeranning | Granted | 81 |
| E70/3887 | Yilgarn-Avon Mukinbudin | Mukinbudin | Granted | 81 |
| E77/1918 | Yilgarn-Avon Mukinbudin | Jinadarra | Granted | 81 |
| E70/3039 | Yilgarn-Avon Quairading | Brookton | Granted | 81 |

| Tenement Number | Project | Locality | Status | Interest % |
|---|---|---|---|---|
| E70/3040 | Yilgarn-Avon Quairading | South Kellerberrin | Granted | 81 |
| E70/3168 | Yilgarn-Avon Quairading | Quairading | Granted | 81 |
| E70/3165 | Yilgarn-Avon Quairading | Yenyenning Lakes | Granted | 81 |
| E70/3178 | Yilgarn-Avon Kellerberrin | Belka North | Granted | 81 |
| E70/3641 | Yilgarn-Avon Kellerberrin | Kellerberrin | Granted | 81 |
| E51/1034 | Meekatharra North | Sherwood | Granted | 100 |
| E29/809 | Fred's Bore | Panhandle Bore | Granted | 100 |
| 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 | Granted | 100 |
| L29/90 | Mt Forrest to Menzies Corridor | Menzies Sandstone Road | Granted | 100 |
| L29/102 | Mt Forrest Water Licence | Menzies Sandstone Road (Perrinvale) | Application | N/A |
| L29/103 | Mt Forrest to Menzies Corridor | Menzies Sandstone Road | Granted | 100 |
| L29/104 | Mt Forrest to Menzies Corridor | Menzies Sandstone Road | Application | N/A |
| L29/107 | Mt Forrest to Menzies Corridor | Menzies Sandstone Road | Application | N/A |
| L29/108 | Mt Forrest to Menzies Corridor | Menzies Sandstone Road | Application | N/A |
| L30/45 | Mt Forrest to Menzies Corridor | Menzies Sandstone Road | Granted | 100 |
| L30/46 | Mt Forrest to Menzies Corridor | Menzies Sandstone Road | Granted | 100 |
| L30/47 | Mt Forrest to Menzies Corridor | Menzies Sandstone Road | Granted | 100 |
| L30/52 | Mt Forrest Water Licence | Evanstone Menzies Road (Riverina) | Granted | 100 |
| L37/208 | Mt Forrest to Menzies Corridor | Menzies Sandstone Road | Application | N/A |
| L57/38 | Mt Forrest Water Licence | Bulga Downs | Application | N/A |
| L57/39 | Mt Forrest Water Licence | Yuinmery | Application | N/A |

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