Mindax Limited

ABN 28 106 866 442

Annual Report

for the year ended 30 June 2020

Corporate Information

ABN 28 106 866 442

Directors
Kgai Mun Loh (Non-Executive Chairman)
Yonggang Li (Non-Executive Director)
Qinglong Zeng (Non-Executive Director)
Biaozhun Zhu (Non-Executive Director)

Company Secretary
Dennis Wilkins

Registered Office and Principal Place of Business
Suite 2, 11 Ventnor Avenue
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Telephone: (08) 9389 2111

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WEST PERTH WA 6872

Bankers
Commonwealth Bank
1263 Hay Street
WEST PERTH WA 6005

Share Register
Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009
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Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Internet Address
www.mindax.com.au

Stock Exchange Listing
Mindax Limited shares are listed on the Australian Securities Exchange (ASX code MDX).

Contents

Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Mindax Limited and the entities it controlled at the end of, or during, the year ended 30 June 2020.

DIRECTORS

The names and details of the Group's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Kgai Mun Loh, (Non-Executive Chairman from 26 May 2020, non-executive director prior to this date, Chairman of audit committee, Chairman of remuneration committee)

Kgai (known as Eric), aged 60 years, 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.

Mr Loh 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.

Prior to 2008, Mr Loh was the Group General Manager of Lion Asiapac Limited and oversaw operational, financial and management matters of the Lion Asiapac Group.

In 1998, Mr Loh 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.

Mr Loh holds a Masters' 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.

Mr Loh has not held any other public company directorships in the last 3 years.

Yonggang Li, (Non-Executive Director, member of audit committee)

Yonggang, aged 45 years, graduated in Electronic Accounting from Hebei Economic and Trade University in 1999.

From 1999 to 2001 he was the accountant and auditor for Zheng Xiang Accounting Firm Hebei province.

In 2001 Mr Li jointly established the Hebei Zhuxin Construction Company and was previously the Chairman.

In 2003 Mr Li 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.

In 2005 Mr Li joined with others to acquire Luanping Jinhuifeng Mining Company Ltd and was previously the Chairman.

In 2010 Mr Li jointly established Huihua Huimei Investment (Beijing) Company Ltd and is the current Chairman.

In 2011 Mr Li 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.

Mr Li has not held any other public company directorships in the last 3 years.

Qinglong Zeng, (Non-Executive Director, member of audit committee, member of remuneration committee)

Qinglong, aged 36 years, is an Australian citizen who was born in China and has a background in construction and property development businesses both in China and Australia.

Mr Zeng has not held any other public company directorships in the last 3 years.

Biaozhun Zhu, (Non-Executive Director, appointed 8 April 2020, member of remuneration committee)

Biaozhun, aged 38 years, has more than 15 years' experience in the hospitality industry, where he has owned and operated several successful businesses in Australia and China.

Mr Zhu has not held any other public company directorships in the last 3 years.

Benjamin Chow was Executive Chairman from the beginning of the year until his resignation on 8 April 2020. Mr Chow continues as the Company's Chief Executive Officer.

Directors' Report continued

COMPANY SECRETARY

Dennis Wilkins, B.Bus, MAICD, ACIS

Mr Wilkins is the founder and principal of DWCorporate Pty Ltd a leading privately held corporate advisory firm servicing the natural resources industry. Since 1994 he has been a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the group. He was also founding director and advisor to Atlas Iron Limited at the time of Atlas' initial public offering in 2006.

Since July 2001 Mr Wilkins has been running DWCorporate Pty Ltd where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector. Mr Wilkins is currently a non-executive director of Key Petroleum Ltd since 5 July 2006, and an alternate director of Middle Island Resources Ltd since 1 May 2010. Mr Wilkins has not held any other public company directorships in the last 3 years.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares of Mindax Limited were:

	Ordinary Shares
Eric Loh	-
Yonggang Li	-
Qinglong Zeng	25,565,000
Biaozhun Zhu	-

PRINCIPAL ACTIVITIES

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

There was no significant change in the nature of the Group's activities during the year.

DIVIDENDS

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

REVIEW OF OPERATIONS

Activities during the year were focussed on assessing the Company's existing projects, reviewing new opportunities and securing additional funding.

The Company retained its iron project, consisting of a parcel of seven mining tenements for 54 km^2 at Mt Forrest, located in Western Australia, and its exploration licence (Exploration Licence 51/1705) in the Meekatharra region of Western Australia during the year and has continued to review the development options for the Mt Forrest Iron Project (Project). Given the current elevated economic outlook for iron, interest in the Project has materially re-activated.

During the year negotiation with respect to a heads of agreement and terms of reference with a prospective infrastructure joint venture partner were suspended pending the outcome of commercial negotiations with a potential investor from China.

The establishment of a study joint venture to assess the technical and economic viability of a joint infrastructure project to exploit the iron ore deposits in the mid-west region of Western Australia will be re-assessed pending the outcome of negotiations with the potential investor.

During the year the Company funded its operations by raising additional capital from related and unrelated parties.

Mt Forrest Project (Iron Ore) Summary

The Mt Forrest Project, wholly owned by Mindax Limited through its subsidiary Yilgiron Pty Ltd, is situated 165 km from line of rail at Menzies and some 645 km from the Esperance port. On this project the Company has built up an iron ore inventory, with the JORC mineral resource currently standing at 1.71 billion tonnes of primary magnetite ore grading 31.8% Fe and 27.1 Mt of regolith (hematite/goethite) mineralisation. Additional information can be reviewed in the "Mineral Resource Summary". Results of an Updated Scoping Study were released in November 2013.

Mineral Resource Summary

There has been no change made to the iron mineral resource inventory this financial year or from the dates noted in the tables.

Regolith Iron

The current near surface goethite-hematite-martite-magnetite resource stands at 27.1 Mt @ 44.0% Fe (12.3 Mt Indicated @ 45.5% Fe and 14.8 Mt Inferred @ 42.7% Fe- above 40% Fe cut-off) and is presented in the table following:

Directors' Report continued

Mt Forrest Iron Project –Regolith Mineralisation above a 40% Fe cut-off grade as at September 2013

Resource Category	Tonnes [Mt]	Fe [%]	SiO_2 [%]	Al_2O_3 [%]	P [%]	S [%]	LOI [%]
November 2011 Regolith JORC 2004 Indicated	12.3	45.5	23.0	5.2	0.06	0.07	6.1
November 2011 Regolith JORC 2004 Inferred	2.4	44.8	26.4	4.5	0.05	0.06	4.6
September 2013 Detrital JORC 2004 Inferred	12.4	42.3	19.9	11.4	0.02	0.04	6.3
Total JORC 2004 Indicated and Inferred	**27.1**	**44.0**	**21.9**	**8.0**	**0.04**	**0.06**	**6.0**

Note: Totals are subject to rounding.

Magnetite Iron

The current primary magnetite resource stands at 1.71 billion tonnes @ 31.8% Fe (248.2 Mt @ 32.6% Fe Indicated and 1,462.4 Mt @ 31.6% Fe Inferred). This table summarises the reported consolidated magnetite resource at a 25% Fe cut-off, noting that approximately 75% of the inferred resource should be considered as extrapolated and is presented as follows:

Mt Forrest Iron Project –Magnetite Mineralisation above a 25% Fe cut-off grade as at July 2012

Resource Category	Tonnes [Mt]	Fe [%]	SiO_2 [%]	Al_2O_3 [%]	P [%]	S [%]	LOI [%]
July 2012 JORC 2004 Indicated	248	32.6	47.0	1.7	0.06	0.12	1.1
July 2012 JORC 2004 Inferred	1,462	31.6	47.9	1.8	0.04	0.10	2.2
Total JORC 2004 Indicated and Inferred	**1,711**	**31.8**	**47.7**	**1.8**	**0.05**	**0.10**	**2.0**

Note: Totals are subject to rounding.

Review of material changes

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Governance controls

All Mineral Resource estimates are prepared by qualified professionals following JORC Code compliant procedures and follow standard industry methodology for drilling, sampling, assaying, geological interpretation, 3-dimensional modelling and grade interpolation techniques.

The Mineral Resource estimates were calculated by a suitably qualified consultant and overseen by a suitably qualified Mindax Limited employee and/or consultant.

Competent Person Statement

The Mineral Resource estimates were completed in 2011 and 2012 and reported in accordance with the 2004 JORC Code. Table 1, Table 2 and Table 3 summarise the magnetite, regolith and detrital estimates reported above cut-off. These estimates have not been updated by Mindax to report in accordance with the 2012 edition of the JORC Code on the basis that there has been no material change to the information since it was last reported. CSA Global have accepted this assertion, and assessed these estimates and formed our conclusions in the context of a possible value in accordance with JORC 2012 reporting criteria.

The information relating to Mineral Resources and Exploration results in the 2020 Annual Report has been compiled under the supervision of Ms Ivy Chen. Ms Chen is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) 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". Ms Chen is a full-time employee of CSA Global Pty Ltd and has reviewed the Mineral Resource work completed and consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.

Corporate

During the year the Company raised additional funds with a view to advance the Company and increase shareholder returns.

During the year, placements from unrelated parties totalling 81,600,000 ordinary shares were completed raising a total of $408,000 cash at an issue price of $0.005 per share. As at 30 June 2020, an additional $150,000 had been received in respect of 30,000,000 ordinary shares that were issued on 16 July 2020. A total of 16,080,000 ordinary shares were also issued during the year in satisfaction of share raising costs totalling $80,400.

The audit report issued by the Group's auditor contains an emphasis of matter paragraph on the existence of a material uncertainty related to the Group's ability to continue as a going concern. Refer to note 1(a)(v) for additional details.

Directors' Report continued

Finance Review

The Group began the financial year with a cash reserve of $7,497. During the year, placements totalling 81,600,000 ordinary shares were completed raising a total of $408,000 cash. As at 30 June 2020, an additional $150,000 had been received in respect of 30,000,000 ordinary shares that were issued on 16 July 2020.

During the year total exploration expenditure incurred by the Group amounted to $229,825 (2019: $229,891). In line with the Company's accounting policies, exploration expenditure is capitalised. Net administration, corporate and depreciation expenditure incurred amounted to $586,112 (2019: $695,260) and loss on settlement of liabilities during the year was nil (2019: $60,000). This has resulted in an operating loss after income tax for the year ended 30 June 2020 of $586,112 (2019: $755,191).

At 30 June 2020, surplus funds available totalled $178,776.

Operating Results for the Year

Summarised operating results are as follows:

	2020	
	Revenues	Results
	$	$
Consolidated entity revenues and loss before income tax expense	9	(586,112)

Shareholder Returns

	2020	2019
Basic and diluted loss per share (cents)	**(0.1)**	(0.1)

Risk Management

The board is responsible for ensuring that risks, and opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year was as follows:

- During the year, placements and a right issue totalling 81,600,000 ordinary shares were completed raising a total of $408,000 cash.
- During the year, a total of 16,080,000 ordinary shares were issued as consideration for services to the value of $80,400.
- Mr Biaozhun Zhu was appointed a Non-Executive Director of the Company on 8 April 2020 following the resignation of Mr Benjamin Chow as Executive Chairman of the Company on 8 April 2020.
- Mr Eric Loh was appointed Non-Executive Chairman of the Company effective from 26 May 2020.
- The Company's securities have been suspended from trading on the ASX since 26 June 2019 and are still suspended as at the date of this report.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 16 July 2020 the Company issued 44,137,416 fully paid ordinary shares for receipts of $220,687 (of which $150,000 had been received as at 30 June 2020) from eligible shareholders and shortfall applicants to the Company's non-renounceable rights issue announced on 12 June 2020.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential future impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since 30 June 2020, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

Directors' Report continued

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

REMUNERATION REPORT (AUDITED)

The information provided in this audited remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The key management personnel covered in this report are:

Kgai Mun Loh	Non-Executive Chairman from 26 May 2020, Non-Executive Director prior to this date
Yonggang Li	Non-Executive Director
Qinglong Zeng	Non-Executive Director
Biaozhun Zhu	Non-Executive Director, appointed 8 April 2020
Benjamin Chow	Executive Chairman, resigned 8 April 2020, continuing in the role of Chief Executive Officer

Principles used to determine the nature and amount of remuneration

Remuneration Policy

From 26 May 2020 the Remuneration Committee is comprised of Mr Loh as chairman and non-executive directors Messrs Zhu and Zeng. Prior to this date the Remuneration Committee was comprised of Mr Chow as chairman and non-executive director Mr Loh. The remuneration policy of Mindax Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. All short-term incentives are decided at board level. The Board of Mindax Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives, if any, who receive a salary from the Company also receive a superannuation guarantee contribution as required by the government, which was 9.5% for the 2020 financial year, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using either the Black-Scholes or Binomial methodologies.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $400,000 approved at the 2010 AGM). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and can participate in the employee option plan. Effective from 1 January 2016 all non-executive director fees were reduced by 50%.

Directors are also entitled to Committee Fees, payable to members of the Audit and Remuneration Committees. The Board has 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. These fees were reduced effective from 1 January 2016 to $2,500 per annum for each member of a committee, and $5,000 per annum for the Chairman of each committee.

Performance based remuneration

At this stage, the Group'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. No options were granted during the 2020 or 2019 financial years.

Company performance, shareholder wealth and directors' and executives' remuneration

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.

Directors' Report continued

The table below shows the gross revenue, losses and earnings per share for the last five years for the listed entity.

	2020 $	2019 $	2018 $	2017 $	2016 $
Revenue and other income	9	69	10,012	5	198
Net loss	(586,112)	(755,191)	(596,167)	(570,718)	(995,453)
Loss per share (cents)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Share price at year end (cents)	0.3(1)	0.3(1)	0.8	0.6	0.4

No dividends have been paid.

(1) The Company's securities have been suspended from trading on the ASX since 26 June 2019 and are still suspended as at the date of this report. The price quoted was the price of the last trade prior to suspension.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2020.

Voting and comments made at the Company's 2019 Annual General Meeting

The Company received 100% of "yes" votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

No remuneration paid to key management personnel of the Group was linked to performance in the 2020 and 2019 financial years.

Key management personnel of the Group

	Short-Term			Post Employment	Termination	Share-Based Payments	Total	Percentage Relevant to Share-Based Payments
	Salary & Fees $	Non-Cash benefits $	Other $	Superannuation $	Termination benefits $	$	$	%
Directors								
Kgai Mun Loh								
2020	**59,296**	**-**	**-**	**5,633**	**-**	**-**	**64,929**	**-**
2019	56,500	-	-	5,368	-	-	61,868	-
Yonggang Li								
2020	**27,500**	**-**	**-**	**2,613**	**-**	**-**	**30,113**	**-**
2019	27,500	-	-	2,613	-	-	30,113	-
Qinglong Zeng								
2020	**25,499**	**-**	**-**	**2,422**	**-**	**-**	**27,921**	**-**
2019	833	-	-	79	-	-	912	-
Biaozhun Zhu, appointed 8 April 2020								
2020	**5,985**	**-**	**-**	**569**	**-**	**-**	**6,554**	**-**
Andrew Tsang, resigned 12 June 2019								
2019	26,125	-	-	2,482	-	-	28,607	-
Other KMP								
Benjamin Chow (1)								
2020	**176,385**	**-**	**-**	**4,217**	**-**	**-**	**180,602**	
2019	189,500	-	-	5,463	-	-	194,963	-
Total key management personnel compensation								
2020	**294,665**	**-**	**-**	**15,454**	**-**	**-**	**310,119**	**-**
2019	300,458	-	-	16,005	-	-	316,463	-

(1) Mr Chow was Executive Chairman from the commencement of the comparative period until his resignation on 8 April 2020. From this time, he has continued in the role of Chief Executive Officer and is classified as other Key Management Personnel. Amounts disclosed include all remuneration paid to Mr Chow in his capacity either as a Director or as other KMP.

Directors' Report continued

Service agreements

The details of service agreements of the key management personnel of Mindax Limited and the Group are as follows:

Benjamin Chow, Executive Chairman until 8 April 2020, Chief Executive Officer from 8 April 2020:

- Term of agreement – 2 years commenced 1 June 2014, and currently remains in place under the same terms.
- Monthly consultancy fees of $10,000, plus GST, are paid to BMTC Pty Limited, a company controlled by Mr Chow for Mr Chow's role as CEO, plus $1,000, plus GST, per month to cover use of Mr Chow's equipment including computers, printers, communication equipment and consumables.
- The above fee is in addition to Mr Chow's Chairman fees ($50,000 per annum), and committee fees, paid whilst he was a director, as outlined in the 'remuneration policy' above, which did not cover executive duties.

Kgai Mun Loh, Non-Executive Director until 26 May 2020, Non-Executive Chairman from 26 May 2020:

- Term of agreement – ongoing, commenced 1 January 2016.
- Monthly consultancy fees of $2,000 for services rendered.
- The above fee is in addition to Mr Loh's non-executive director/chairman fees, and committee fees as outlined in the 'remuneration policy' above, which do not cover executive duties.

None of the other directors or key management personnel have service agreements in place.

Share-based compensation

Options

Options may be issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria but are issued to the majority of directors and executives of Mindax Limited to increase goal congruence between executives, directors and shareholders. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company. There were no options granted to or vesting with key management personnel during the year.

Ordinary Shares

No ordinary shares in the Company have been provided as a result of the exercise of remuneration options to each director of Mindax Limited and other key management personnel of the Group during the year.

Equity instruments held by key management personnel

Share holdings

The numbers of shares in the Company held during the financial year by each director of Mindax Limited and other key management personnel of the Group, including their personally related parties, and any nominally held, are set out below. There were no shares granted during the reporting period as compensation.

2020	**Balance at start of the year**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at end of the year (1)**
Directors of Mindax Limited				
Ordinary shares				
Kgai Mun Loh	-	-	-	-
Yonggang Li	-	-	-	-
Qinglong Zeng	**25,565,000**	-	-	**25,565,000**
Biaozhun Zhu, appointed 8 April 2020	-(2)	-	-	-
Other KMP				
Benjamin Chow	**10,196,000**	-	-	**10,196,000**

(1) At year end there are no nominally held shares.

(2) Balance held at the date of appointment.

End of audited Remuneration Report

Directors' Report continued

DIRECTORS' MEETINGS

During the year the Company held four meetings of directors. The attendance of directors at meetings of the board were:

	Directors Meetings		Committee Meetings			
			Audit		Remuneration	
	A	B	A	B	A	B
Kgai Mun Loh	4	4	-	-	-	-
Yonggang Li	3	4	-	-	*	*
Qinglong Zeng	4	4	-	-	-	-
Biaozhun Zhu, appointed 8 April 2020	2	2	*	*	-	-
Benjamin Chow, resigned 8 April 2020	2	2	-	-	-	-

Notes

A - Number of meetings attended.

B - Number of meetings held during the time the director held office during the year.

* - Not a member of the relevant Committee.

Whilst neither the Audit nor Remuneration Committee's held meetings during the year, their duties were discharged through alternative means as required.

SHARES UNDER OPTION

There are no unissued ordinary shares of Mindax Limited under option at the date of this report.

INSURANCE OF DIRECTORS AND OFFICERS

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. The policy expired during the year.

NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor, BDO Audit (WA) Pty Ltd, or associated entities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

Signed in accordance with a resolution of the directors.

Eric Loh
Non-Executive Chairman
Perth, 29 September 2020

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor of Mindax Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of 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.

Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2020

Corporate Governance Statement

Mindax Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Mindax Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2020 Corporate Governance Statement was approved by the Board on 29 September 2020 and is current as at 29 September 2020. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.mindax.com.au.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2020	Notes	2020 $	2019 $
REVENUE	4	**9**	69
EXPENDITURE			
Administration expenses		**(45,897)**	(96,583)
Corporate expenses		**(360,790)**	(412,642)
Depreciation expense	9	**(1,316)**	(1,573)
Loss on settlement of liability	20(b)	-	(60,000)
Salaries and employee benefits expense		**(178,118)**	(184,462)
LOSS BEFORE INCOME TAX		**(586,112)**	(755,191)
INCOME TAX BENEFIT	6	-	-
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF MINDAX LIMITED		**(586,112)**	(755,191)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF MINDAX LIMITED		**(586,112)**	(755,191)
LOSS PER SHARE FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF MINDAX LIMITED			
Basic and diluted loss per share (cents per share)	21	**(0.1)**	(0.1)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AT 30 JUNE 2020	Notes	2020	2019
		$	$
CURRENT ASSETS			
Cash and cash equivalents	7	**178,776**	7,497
Trade and other receivables	8	**16,043**	14,967
Prepayments		**1,138**	5,146
TOTAL CURRENT ASSETS		**195,957**	27,610
NON-CURRENT ASSETS			
Plant and equipment	9	**8,602**	9,918
Other assets		**2,885**	2,885
Exploration and evaluation assets	10	**2,411,487**	2,181,662
TOTAL NON-CURRENT ASSETS		**2,422,974**	2,194,465
TOTAL ASSETS		**2,618,931**	2,222,075
CURRENT LIABILITIES			
Trade and other payables	11	**1,486,722**	1,061,754
TOTAL CURRENT LIABILITIES		**1,486,722**	1,061,754
TOTAL LIABILITIES		**1,486,722**	1,061,754
NET ASSETS		**1,132,209**	1,160,321
EQUITY			
Contributed equity	12	**44,772,188**	44,214,188
Reserves	13	**871,452**	871,452
Accumulated losses		**(44,511,431)**	(43,925,319)
TOTAL EQUITY		**1,132,209**	1,160,321

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2020	Notes	Contributed Equity $	Share-based Payments Reserve $	Accumulated Losses $	Total $
BALANCE AT 1 JULY 2018		43,443,101	871,452	(43,170,128)	1,144,425
Loss for the year		-	-	(755,191)	(755,191)
TOTAL COMPREHENSIVE LOSS		-	-	(755,191)	(755,191)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	12	843,587	-	-	843,587
Share issue transaction costs	12	(72,500)	-	-	(72,500)
BALANCE AT 30 JUNE 2019		44,214,188	871,452	(43,925,319)	1,160,321
Loss for the year		-	-	**(586,112)**	**(586,112)**
TOTAL COMPREHENSIVE LOSS		-	-	**(586,112)**	**(586,112)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	12	**638,400**	-	-	**638,400**
Share issue transaction costs	12	**(80,400)**	-	-	**(80,400)**
BALANCE AT 30 JUNE 2020		**44,772,188**	**871,452**	**(44,511,431)**	**1,132,209**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2020	Notes	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(232,623)**	(537,825)
Interest received		**9**	69
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	20(a)	**(232,614)**	(537,756)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure	10	**(154,107)**	(229,891)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		**(154,107)**	(229,891)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares	12	**558,000**	561,087
NET CASH INFLOW FROM FINANCING ACTIVITIES		**558,000**	561,087
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**171,279**	(206,560)
Cash and cash equivalents at the beginning of the financial year		**7,497**	214,057
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	**178,776**	7,497

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Mindax Limited and its subsidiaries. The financial statements are presented in the Australian currency. Mindax Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 29 September 2020. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Mindax Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Mindax Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has adopted the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 16 Leases; and
- Interpretation 23 Uncertainty Over Income Tax Treatments.

AASB 16 Leases

The Group has adopted AASB 16 Leases from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (lease payments) and removes the former distinction between ‘operating’ and ‘finance’ leases. The exceptions are short-term leases and leases of low value assets.

In applying AASB 16 for the first time, as permitted by the standard, the Group has elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered before the transition date the Group relied on its assessment made applying AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease.

There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts. The Group is not currently a party to any lease contracts.

There was no material impact on the adoption of Interpretation 23 and no adjustment made to current or prior period amounts.

(iii) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified, where required, by the measurement at fair value of selected financial assets and financial liabilities.

(v) 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 Group incurred a net loss of $586,112 (2019: $755,191) and incurred net cash outflows from operating activities of $232,614 (2019: $537,756). The Group had a net working capital deficiency of $1,290,765 (2019: $1,034,144) and trade and other payables of $1,486,722 (2019: $1,061,754) at reporting date. At the date of this report the majority of the current liabilities are overdue.

Notes to the Consolidated Financial Statements continued

30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Of the $1,486,722 in trade and other payables outstanding at reporting date, $1,384,185, are owed to related parties and internal creditors and $102,537 are owed to external creditors, refer to note 11.

The related parties have indicated they will continue to support the Group and defer repayment terms and entitlements until such time that the Group has the financial capacity to compensate them. The ability of the Group to continue as a going concern is therefore dependent on the ability to raise additional funding through debt and/or equity, sale or farm out of currently 100% owned tenements, and the continued support of its related parties until such time as the Group can repay them.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe that as at the date of this report there are reasonable grounds to believe that the Group will continue as a going concern for the following reasons:

- Subsequent to year end, the Group raised $220,687 (before costs, of which $150,000 had been received as at 30 June 2020), through the issue of 44,137,416 ordinary shares at $0.005 per share (refer to note 19). The directors continue with their endeavours to place the shortfall with eligible investors;
- Continued support from the Group's related parties and creditors to defer amounts payable until the Group has sufficient funds to do so;
- The Group retains the option to seek to sell or farmout its currently 100% owned tenements; and
- The ability to raise additional funding through debt and/or equity.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that may differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Mindax Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) 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, has been identified as the full Board of Directors.

(d) 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.

Notes to the Consolidated Financial Statements continued

30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Trade and other receivables

Trade and other receivables are recognised at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 to determine any allowances for expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience. The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that the amounts will be received when due.

(i) Financial instruments

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to the Consolidated Financial Statements continued

30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or expenses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income or expenses and impairment losses are presented as a separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income or expenses in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other income or expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology depends on whether there has been a significant increase in credit risk.

(j) Exploration and evaluation costs

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.

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. The carrying value of the Group's projects are reviewed at least annually for appropriateness and to determine if there are any impairment indicators.

Notes to the Consolidated Financial Statements continued

30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are paid on normal commercial terms.

(l) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(m) Contributed equity

Ordinary shares are classified as equity.

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

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the respective taxation authorities, are presented as operating cash flows.

(p) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Exploration expenditure

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

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

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates consider both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Notes to the Consolidated Financial Statements continued

30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

COVID-19

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. Currently there is no significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The chief executive officer, with the assistance of advisors as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

(a) Market risk

(i) Foreign exchange risk

As all operations are currently within Australia, the Company is not exposed to any material foreign exchange risk.

(ii) Commodity price risk

Given the current level of operations the Company is not exposed to commodity price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

(b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal (credit rating –AA).

As the Group does not presently have any significant trade receivables, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash is available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position, and borrowings for which further details are contained in note 12. All trade and other payables and borrowings are non-interest bearing and due within 12 months of the reporting date.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. 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 borrowing facilities may be rolled forward.

	Within 1 Year		1 to 5 Years		Total Contractual Cashflow	
	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables	**1,486,722**	1,061,754	-	-	**1,486,722**	1,061,754
Total contractual outflows	**1,486,722**	1,061,754	-	-	**1,486,722**	1,061,754

2. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Fair value estimation

There were no financial assets or liabilities at 30 June 2020 requiring fair value estimation and disclosure as they are either not carried at fair value or, in the case of short-term financial assets and financial liabilities, their carrying values approximate fair value.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying amounts and estimated fair values of financial assets and financial liabilities are as follows:

	2020 $	2019 $
Financial Assets		
Cash and cash equivalents	**178,776**	7,497
Trade and other receivables	**16,043**	14,967
Total Financial Assets	**194,819**	22,464
Financial Liabilities		
Trade and other payables	**1,486,722**	1,061,754
Total Financial Liabilities	**1,486,722**	1,061,754

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Receivables/Payables

Due to the short term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

Fair value measurements of financial assets

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes.

Fair value hierarchy

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. SEGMENT INFORMATION

For management purposes, the Group has identified two reportable segments based on the minerals present in the Projects detailed in the Quarterly Activities Report released to the Australian Securities Exchange each quarter. Based on the contents of this report, the reportable segments identified are:

1. Gold (comprising the Meekatharra Project); and
2. Iron Ore (comprising the Mt Forrest Project).

Segment information provided to the directors for the year ended 30 June 2020 is as follows:

	Gold $	Iron Ore $	Total $
Year ended 30 June 2020			
Total segment revenue	-	-	-
Intersegment revenue	-	-	-
Revenue from external customers	-	-	-
Reportable segment profit/(loss)	-	-	-
Year ended 30 June 2019			
Total segment revenue	-	-	-
Intersegment revenue	-	-	-
Revenue from external customers	-	-	-
Reportable segment loss	-	-	-

Notes to the Consolidated Financial Statements continued

30 JUNE 2020

3. SEGMENT INFORMATION (cont'd)

	Gold $	Iron Ore $	Total $
Total segment assets			
30 June 2020	**148,537**	**2,271,552**	**2,420,089**
30 June 2019	128,290	2,063,290	2,191,580
Total segment liabilities			
30 June 2020	**10,990**	**64,729**	**75,719**
30 June 2019	-	-	-

	2020 $	2019 $
Reportable segment assets are reconciled to total assets of the Group as follows:		
Segment assets	**2,420,089**	2,191,580
Intersegment eliminations	-	-
Unallocated		
Cash and cash equivalents	**178,776**	7,497
Trade and other receivables	**16,043**	14,967
Prepayments	**1,138**	5,146
Other non-current assets	**2,885**	2,885
Total assets	**2,618,931**	2,222,075
Reportable segment liabilities are reconciled to total liabilities of the Group as follows:		
Segment liabilities	**75,719**	-
Intersegment eliminations	-	-
Unallocated		
Trade and other payables	**1,411,003**	1,061,754
Total liabilities	**1,486,722**	1,061,754
Reconciliation of reportable segment loss to loss before income tax of the Group is as follows:		
Total loss for reportable segments	-	-
Intersegment eliminations	-	-
Unallocated		
Interest revenue	**9**	69
Other income		-
Depreciation expense	**(1,316)**	(1,573)
Other expenses	**(584,805)**	(753,687)
Loss before income tax	**(586,112)**	(755,191)

4. REVENUE AND OTHER INCOME

	2020 $	2019 $
Revenue from continuing operations		
Interest revenue	**9**	69

5. EXPENSES

	2020 $	2019 $
Specific expenses requiring disclosure:		
Defined contribution superannuation expense	**15,454**	16,004

6. INCOME TAX

	2020 $	2019 $
(a) Income tax benefit		
Current tax	-	-
Deferred tax	-	-
	-	-

Notes to the Consolidated Financial Statements continued

30 JUNE 2020	2020 $	2019 $
6. INCOME TAX (cont'd)		
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(586,112)**	(755,191)
Prima facie tax benefit at the Australian tax rate of 30% (2019: 30%)	**(175,834)**	(226,557)
Movements in unrecognised temporary differences	**(77,393)**	(76,313)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**253,227**	302,870
Income tax benefit	**-**	-
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	**42,005,478**	41,161,391
Potential tax benefit at 30% (2019: 30%)	**12,601,643**	12,348,417
(d) Unrecognised temporary differences		
Deferred Tax Assets (at 30% (2019: 30%))		
Capital raising costs	**1,848**	9,093
Other temporary differences	**6,638**	7,838
Carry forward tax losses	**12,601,643**	12,348,417
Deferred Tax Liabilities (at 30% (2019: 30%))		
Capitalised exploration and evaluation expenditure	**(723,446)**	(654,499)
Net deferred tax assets	**11,886,683**	11,710,849

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The recoupment of available tax losses as at 30 June 2020 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 which adversely affect the Group from realising the benefit.

7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank and in hand	**178,776**	7,497
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**178,776**	7,497

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Sundry debtors	**16,043**	14,967

Sundry debtors are not past due nor impaired, and based on history are expected to be fully recoverable. Information about the Group's exposure to credit risk is provided in note 2.

Notes to the Consolidated Financial Statements continued

30 JUNE 2020

9. NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	Plant and Equipment $	Campsite $	Total $
At 1 July 2018			
Cost	1,375	37,380	38,755
Accumulated depreciation	(1,372)	(25,892)	(27,264)
Net book amount	3	11,488	11,491
Year ended 30 June 2019			
Opening net book amount	3	11,488	11,491
Depreciation expensed to profit or loss	(2)	(1,571)	(1,573)
Closing net book amount	1	9,917	9,918
At 30 June 2019			
Cost	1,375	37,380	38,755
Accumulated depreciation	(1,374)	(27,463)	(28,837)
Net book amount	1	9,917	9,918
Year ended 30 June 2020			
Opening net book amount	**1**	**9,917**	**9,918**
Depreciation expensed to profit or loss	**(1)**	**(1,315)**	**(1,316)**
Closing net book amount	**-**	**8,602**	**8,602**
At 30 June 2020			
Cost	**1,375**	**37,380**	**38,755**
Accumulated depreciation	**(1,375)**	**(28,778)**	**(30,153)**
Net book amount	**-**	**8,602**	**8,602**

10. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS

	Notes	2020 $	2019 $
Exploration and evaluation assets		**2,411,487**	2,181,662
Balance at the beginning of the year		**2,181,662**	1,951,771
Expenditure incurred		**229,825**	229,891
Balance at the end of the year	10(a)	**2,411,487**	2,181,662

(a) The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production.

The carrying value of the Group's projects was reviewed, and no impairment indicators were identified during the 2020 or 2019 financial years in relation to the Group's tenements.

11. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2020	2019
Trade payables	**226,040**	33,563
Other payables and accruals	**1,260,682**	1,028,191
	1,486,722	1,061,754

Included in the above trade and other payables of $1,486,722 (2019: $1,061,754) are amounts owed to related parties and internal creditors totalling $1,384,185 (2019: $1,045,354).

Notes to the Consolidated Financial Statements continued

30 JUNE 2020

	Notes	2020 Number of shares	2020 $	2019 Number of shares	2019 $
12. CONTRIBUTED EQUITY					
(a) Share capital					
Ordinary shares fully paid	12(b), 12(c)	**1,040,821,359**	**44,772,188**	943,141,359	44,214,188
Total contributed equity		**1,040,821,359**	**44,772,188**	943,141,359	44,214,188
(b) Movements in ordinary share capital					
Beginning of the financial year		**943,141,359**	**44,214,188**	741,424,008	43,443,101
Issued during the year:					
– Issued for cash at $0.005 per share (1), (2)		**81,600,000**	**558,000**	158,217,351	561,087
– Issued as consideration for share issue costs (3), (4)		**16,080,000**	**80,400**	13,500,000	72,500
– Issued in settlement of loan (5)		**-**	**-**	20,000,000	130,000
– Issued as consideration for director fees (6)		**-**	**-**	10,000,000	80,000
Transaction costs incurred (3), (4)		**-**	**(80,400)**	-	(72,500)
End of the financial year		**1,040,821,359**	**44,772,188**	943,141,359	44,214,188

(1) As at 30 June 2020 $150,000 had been received in respect of 30,000,000 ordinary shares that were issued on 16 July 2020.

(2) As at 30 June 2018 $230,000 had been received in respect of 46,000,000 ordinary shares that were issued on 17 July 2018.

(3) On 29 October 2019 the Company issued 6,000,000 ordinary shares, on 20 December 2019 the Company issued 8,500,000 ordinary shares and on 28 May 2020 the Company issued 1,580,000 ordinary shares in consideration for consulting services classified as share issue costs. The fair value of the shares recognised is by direct reference to the fair value of services received. This was determined by corresponding invoices which totalled $80,400 (excluding GST). These amounts have been recognised in the statement of financial position under transaction costs to share capital.

(4) On 7 August 2018 the Company issued 7,000,000 ordinary shares, on 26 November 2018 the Company issued 4,000,000 and 500,000 ordinary shares to separate individuals, on 7 February 2019 the Company issued 1,000,000 ordinary shares and on 3 April 2019 the Company issued 1,000,000 ordinary shares in consideration for consulting services classified as share issue costs. The fair value of the shares recognised is by direct reference to the fair value of services received. This was determined by corresponding invoices which totalled $72,500 (excluding GST). These amounts have been recognised in the statement of financial position under transaction costs to share capital.

(5) The Company had secured short-term funding by way of unsecured non-recourse loans from Mr Andrew Tsang, who was Non-Executive Director during the term of the loans. Following shareholder approval obtained at the General Meeting held on 17 July 2018, $50,000 of the loan was converted into 10,000,000 ordinary shares at an issue price of $0.005 per share. The fair value of the shares issued by the Company is based on the grant date fair value, being $0.008. Additionally, following shareholder approval obtained at the General Meeting held on 20 May 2019, $50,000 of the loan was converted into 10,000,000 ordinary shares at an issue price of $0.005 per share. The fair value of the shares issued by the Company is based on the grant date fair value, being $0.005. This has resulted in a net loss on settlement of the liabilities of $30,000 for the 2019 financial year.

(6) A resolution was approved by shareholders at the General Meeting of the Company held on 17 July 2018 to issue shares to Mr Benjamin Chow, who was Executive Chairman at the time of approval, in lieu of director fees accrued for the period 1 April 2015 to 30 June 2018. Fees totalling $50,000 were satisfied by the issue of 10,000,000 ordinary shares on 7 August 2018 utilising these approvals. The total expense to be recognised by the Company is based on the grant date fair value of the shares issued, being $0.008. This has resulted in a loss on settlement of the liability of $30,000 for the 2019 financial year.

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Notes to the Consolidated Financial Statements continued

30 JUNE 2020	2020 $	2019 $

12. CONTRIBUTED EQUITY (cont'd)

(d) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2020 and 30 June 2019 are as follows:

	2020 $	2019 $
Cash and cash equivalents	**178,776**	7,497
Trade and other receivables	**16,043**	14,967
Prepayments	**1,138**	5,146
Trade and other payables	**(1,486,722)**	(1,061,754)
Working capital position	**(1,290,765)**	(1,034,144)

13. RESERVES

Share-based payments reserve	2020 $	2019 $
Balance at the beginning of the financial year	**871,452**	871,452
Balance at the end of the financial year	**871,452**	871,452

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

14. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

15. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Audit services	2020 $	2019 $
BDO Audit (WA) Pty Ltd - audit and review of financial reports	**25,786**	24,928
Total remuneration for audit services	**25,786**	24,928

16. CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Group at reporting date.

17. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Mindax Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 18.

(c) Key management personnel compensation

	2020 $	2019 $
Short-term benefits	**294,665**	300,458
Post-employment benefits	**15,454**	16,005
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	310,119	316,463

Detailed remuneration disclosures are provided in the remuneration report on pages 7 to 9.

Notes to the Consolidated Financial Statements continued

30 JUNE 2020

18. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of incorporation	Class of shares	Equity Holding*	
			2020	2019
			%	%
Mindax Energy Pty Ltd	Australia	Ordinary	**100**	100
Yilgiron Pty Ltd	Australia	Ordinary	**100**	100
Yilgiron Infrastructure Pty Ltd	Australia	Ordinary	**100**	100

* The proportion of ownership interest is equal to the proportion of voting power held.

19. EVENTS OCCURRING AFTER THE REPORTING DATE

On 16 July 2020 the Company issued 44,137,416 fully paid ordinary shares for receipts of $220,687 (of which $150,000 had been received as at 30 June 2020) from eligible shareholders and shortfall applicants to the Company's non-renounceable rights issue announced on 12 June 2020.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential future impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since 30 June 2020, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

20. CASH FLOW INFORMATION

	Notes	2020	2019
		$	$
(a) Reconciliation of net loss after income tax to net cash outflow from operating activities			
Net loss for the year		**(586,112)**	(755,191)
Non-Cash Items			
Depreciation of non-current assets		**1,316**	1,573
Director fees settled by the issue of shares	20(b)	**-**	50,000
Loss on settlement of liability	20(b)	**-**	60,000
Change in operating assets and liabilities			
(Increase) in trade and other receivables		**(1,076)**	(2,298)
Decrease/(increase) in prepayments		**4,008**	(1,415)
Increase in trade and other payables		**349,250**	109,575
Net cash outflow from operating activities		**(232,614)**	(537,756)

(b) Non-cash investing and financing activities

On 17 July 2018 the Company issued 10,000,000 ordinary shares, at an issue price of $0.005, in satisfaction of a $50,000 loan from Mr Tsang as approved by shareholders at the General Meeting held on 17 July 2018. On 21 May 2019 the Company issued a further 10,000,000 ordinary shares, at an issue price of $0.005, in satisfaction of a $50,000 loan from Mr Tsang as approved by shareholders at the General Meeting held on 20 May 2019. This has resulted in a net loss on settlement of the liabilities of $30,000 for the 2019 financial year.

On 7 August 2018 the Company issued 10,000,000 ordinary shares, at an issue price of $0.005, in satisfaction of $50,000 in director fees owed to Mr Chow as approved by shareholders at the General Meeting held on 17 July 2018. This has resulted in a loss on settlement of the liability of $30,000 for the 2019 financial year.

During the year, the Company issued a total of 16,080,000 (2019: 12,500,000) ordinary shares at an issue price of $0.005, and nil (2019: 1,000,000) ordinary shares at an issue price of $0.01, as consideration for consulting services classified as share issue costs capitalised to the value of $80,400 (2019: $72,500).

Notes to the Consolidated Financial Statements continued

30 JUNE 2020	2020 $	2019 $
21. LOSS PER SHARE		
(a) Reconciliation of loss used in calculating loss per share		
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	**(586,112)**	(755,191)
	Number of shares	**Number of shares**
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**989,697,206**	853,009,471

22. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Mindax Limited. The information presented here has been prepared using accounting policies consistent with those presented in note 1.

	2020 $	2019 $
Current assets	**195,957**	27,581
Non-current assets	**2,422,084**	2,193,575
Total assets	**2,618,041**	2,221,156
Current liabilities	**1,486,722**	1,061,754
Total liabilities	**1,486,722**	1,061,754
Contributed equity	**44,772,188**	44,214,188
Share-based payments reserve	**871,452**	871,452
Accumulated losses	**(44,512,321)**	(43,926,238)
Total equity	**1,131,319**	1,159,402
Loss for the year	**(586,083)**	(755,133)
Total comprehensive loss for the year	**(586,083)**	(755,133)

Directors' Declaration

In the directors' opinion:

(a) the financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes set out on pages 13 to 30 are in accordance with the *Corporations Act 2001*, including:

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

 (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable;

(c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2020, comply with Section 300A of the *Corporations Act 2001*; and

(d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

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 directors.

Eric Loh
Non-Executive Chairman
Perth, 29 September 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of Mindax Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mindax Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
At 30 June 2020 the Group held a significant carrying value of Exploration and Evaluation Assets as disclosed in notes 1(j), (p) and 10 of the Financial Report. As the carrying value of these Exploration and Evaluation Assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 1(j) and 10 of the Financial Report.

BDO

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

BDO

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 9 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Mindax Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien
Director

Perth, 29 September 2020

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 16 September 2020.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary shares	
			Number of holders	**Number of shares**
1	-	1,000	58	9,377
1,001	-	5,000	51	158,164
5,001	-	10,000	58	500,796
10,001	-	100,000	185	6,497,300
100,001		and over	145	1,077,793,138
			497	1,084,958,775
The number of shareholders holding less than a marketable parcel of shares are:			373	9,794,465

(b) Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	**Percentage of ordinary shares**
1	Ms Lai You	201,524,431	18.57
2	Jianchun Yang	86,360,000	7.96
3	Ms Jing Wang	86,000,000	7.93
4	Mr Zhangxi Zeng	85,641,350	7.89
5	Ms Meilian Zeng	81,680,000	7.53
6	Mr Yufeng Zhuang	66,705,522	6.15
7	Tao Zhang	60,000,000	5.53
8	Lap Exploration Pte Ltd	32,034,616	2.95
9	Jianchun Yang	30,000,000	2.77
10	HSBC Custody Nominees (Australia) Ltd	24,743,727	2.28
11	Mr Andrew Tsang	22,271,954	2.05
12	Guojin Zheng	20,000,000	1.84
13	Mr Zelong Zeng	15,760,555	1.45
14	Mr Andrew Tsang + Mrs Chuxiang Zeng + Mr Qinglong Zeng <Zeng Superannuation Fund A/C>	15,000,000	1.38
15	Zhenbin Jian	13,500,000	1.24
16	Jupiter Mines Limited	13,213,579	1.22
17	Chenfei Zhuang	12,344,956	1.14
18	Xiang Rong (Australia) Construction Group Pty Ltd <Xiang Rong Management A/C>	10,080,000	0.93
19	103 Malton Pty Limited <Sydney Subdivision P/F A/C>	10,000,000	0.92
20	Ms Meihua Zheng	10,000,000	0.92
		896,860,690	82.65

ASX Additional Information continued

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares
Meilian Zeng	74,500,000
Andrew Tsang	52,535,410
LAP Exploration Pte Ltd	32,034,616
Yufeng Zhuang	23,305,522
HSBC Custody Nominees (Aus) Ltd	22,663,105
Chenfei Zhuang	19,844,956

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Schedule of interests in mining tenements

Tenement	Project	Locality	Status	Interest %
M29/257	Mount Forrest	Mount Forrest - Bulga Downs	Granted	100
M29/258	Mount Forrest	Mount Forrest - Bulga Downs	Granted	100
M29/314	Mount Forrest	Mount Forrest	Granted	100
M29/348	Mount Forrest	Toucan - Bulga Downs	Granted	100
M29/349	Mount Forrest	Macaw North - Bulga Downs	Granted	100
M29/350	Mount Forrest	Macaw - Bulga Downs	Granted	100
M29/351	Mount Forrest	Bulga Downs	Granted	100
E51/1705	Meekatharra	Meekatharra	Granted	100