Mindax Limited

ABN: 28 106 866 442

Financial report for the financial year ended
30 June 2008

CORPORATE DIRECTORY

DIRECTORS

Gilbert Charles George (Non-executive, Chairman)
Gregory John Bromley (Managing Director)
Nicholas James Smith (Non-executive Director)
Andrew Tsang (Non-executive Director)

PRINCIPAL OFFICE

Suite 9/ 57 Labouchere Road
South Perth WA 6151

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Angelo Street
South Perth WA 6951
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Facsimile (08) 9474 3299
Website www.mindax.com.au

REGISTERED OFFICE

21 Teddington Road
Burswood WA 6100

Telephone: (08) 9486 2333
Facsimile: (08) 9355 4580

AUDITORS

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008

COMPANY SECRETARY

Angelo Francesca

BANKERS

Commonwealth Bank
1254 Hay Street
West Perth WA 6005

SHARE REGISTRY

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING

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

ASX codes: MDX (shares)

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Corporate governance statement

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

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

The Company's Board and management are committed to a high standard of corporate governance practices, ensuring that the Company complies with the Corporations Act 2001, Australian Securities Exchange (ASX) Listing Rules, Company Constitution and other applicable laws and regulations.

However, at this stage of the Company's corporate development, implementation of the ASX Corporate Governance Council ten core principles, whilst wholeheartedly supported, is not practical in every instance given the modest size and simplicity of the business. The core principles are noted as follows:

The core principles are establishment of the role of the Board, its composition (with a balance of skills, experience and independence appropriate to the nature and extent of operations), and the need for integrity (among those who influence strategy and financial performance, together with responsible and ethical decision-making). Presenting the Company's financial and non-financial position requires processes that safeguard, both internally and externally, the integrity of Company reporting and its provision in a timely and balanced manner. The rights of shareholders must be recognised and upheld. Risk must be managed through effective oversight and internal control. Board and management effectiveness must be encouraged. Remuneration must attract and retain talented and motivated directors and employees with a clear relationship to corporate and individual performance. And finally, the legitimate interest of all stakeholders must be recognised.

The details of the current and evolving governance practices are identified in the following pages.

BOARD OF DIRECTORS

Role of the Board

The Board has the responsibility of protecting the rights and interest of shareholders and enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for:

- the corporate governance of the Company;
- the overall strategic direction and leadership of the Company;
- approving and monitoring management implementation of objectives and strategies; and
- reviewing the performance against stated objectives by receiving regular management reports on the business situation, opportunities and risks.

Structure of the Board

The Company has a four member Board comprising one executive director and three non-executive directors, including the Chairman. The roles of Chairman and Managing Director are not combined. All directors reside in Australia. Mr Bromley is not considered independent by virtue of his executive role in the Company, neither is Mr Smith, Mr George or Mr Tsang by virtue of financial remuneration received on a consulting basis during the year or post financial year end.

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

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

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

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

Having regard to the structure of the Board and of senior management, it is considered appropriate by the Board to effectively utilise Messrs Smith, Tsang and George’s skills as consultants to provide crucial peer review of the corporate, legal and commercial aspects of the Company’s operations.

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

The Board formed an Audit committee (commenced December 2004) and a Remuneration committee (commenced December 2004) comprising Mr Smith and Mr George, with Mr Smith Chairman of both. Mr Tsang formally joined the Remuneration Committee on 20 August 2008.

The Company will give consideration at an appropriate juncture in the Company’s development, for the creation of a Nomination committee. The current size of the full Board permits it to act as the nomination committee and to regularly review membership. The Board will give consideration to appointment of specialist and independent directors when the activities and scale of operation of the Company warrant such appointments.

The Board intends to formally introduce a formal process of self assessment of its collective performance, the performance of individual directors and of Board committees. Due to the scheduling of Board meetings, such formal process was not finalised during the year ended 30 June 2008.

AUDIT PROCESSES AND POLICIES

The Board is responsible for the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. A charter (terms of reference) is being formulated and evolving.

The responsibilities include:

- reviewing and approving statutory financial reports and all other financial information distributed externally;
- monitoring the effective operation of the risk management and compliance framework;
- reviewing the effectiveness of the Company's internal control environment including compliance with applicable laws and regulations;
- the nomination of the external auditors and the review of the adequacy of the existing external audit arrangements; and
- considering whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence.

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

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

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

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

The Managing Director and Company Secretary provide a certification to the Board on the integrity of the Company's external financial reports. This reporting structure was adopted for the financial year ended 30 June 2008.

The Managing Director and Company Secretary are not specifically required to provide additional certification that the financial statements are founded on sound risk management systems and that compliance and control systems are operating efficiently and effectively.

The Board considers that risk management and internal compliance and control systems are sufficiently robust for the Board to place reliance on the integrity of the financial statements without the need for an additional certification by management.

RESPECT THE RIGHTS OF SHAREHOLDERS AND STAKEHOLDERS

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

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

- reports distributed to all shareholders; and
- notices of all meetings to shareholders.

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

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

Material information is lodged immediately with the ASX and on acknowledgement, disseminated by posting to the website.

TIMELY AND BALANCED DISCLOSURES

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

Material information is lodged immediately with the ASX and on acknowledgement disseminated by posting to the website. A strict protocol is practiced for all investors/ analyst/ media meetings, group briefings and conference calls.

DEALINGS IN COMPANY SHARES

The Board formally instituted a Company requirement in December 2004 that limits the purchase or disposal of shares by directors, officers and employees to the period of 2 to 16 days after release of quarterly reports.

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

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

REMUNERATE FAIRLY AND RESPONSIBLY

The Remuneration committee advises the Board on remuneration and incentive policies and practices generally and makes specific recommendations in relation to compensation arrangements for executive and non-executive directors and in respect of all equity based remuneration plans.

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

ACCESS TO PROFESSIONAL ADVICE

Issues of substance are considered by the Board with external advice from its professional advisers as required. The Board's individual members can seek independent professional advice at the Company's expense in carrying out their duties.

SUMMARY

Mindax Limited has adopted or is in the process of adopting the following policies and charters: Board Charter, Code of Conduct, Security Trading Policy, Audit Committee Charter, Continuous Disclosure Policy, Shareholder Communication Policy and Remuneration Committee Charter.

The Company is non-compliant with respect to the Directors being considered independent for reasons stated. Similarly the Company does not have a Nomination Committee. Other corporate practices continue to evolve.

Directors' report

Your directors present their report on Mindax Limited and the consolidated entity (referred to hereafter as the Group) for the year ended 30 June 2008.

The names and particulars of the directors of the company during or since the end of the financial year are:

Directors

Name	Particulars
Mr G.C. George	Gilbert, aged 58 years, has an honours degree in Agricultural Science, as well as a Masters Degree in Economics from a prestigious Japanese university. After working in Australia and Japan in Government positions, Gilbert established his own business development consultancy in 1988. He is the principal of Gilbert George & Associates Pty Ltd which has provided strategic advice to companies in Australia, Africa, Japan, the US and Europe and been involved in over $250 million of new investment in Australia, in the resource, IT, food processing and service sectors. Resource experience includes gold, manganese, oil and heavy mineral sands. He is Chairman of Malawi Minerals Ltd, and holds directorships in the following unlisted companies: Bedley Holdings Pty Ltd, Ocean Power Technologies (Australasia) Pty Ltd and Governor Holdings Pty Ltd. Gilbert has also been a member of a number of charities and state government and international advisory committees, including the Asian Round Table. *Former directorships in last 3 years* None. *Special responsibilities* Gilbert joined the board in 2004 in a non-executive capacity and is a member of the Remuneration and Audit Committees of Mindax Limited. *Interest in shares and options* 2,786,625 ordinary shares in Mindax Limited.
Mr N.J. Smith	Nicholas, aged 56, is a solicitor by training, who has spent most of his working life in the corporate/commercial area. He has extensive business experience both within Australia and off shore. Between 1987 and 1999 he was Group General Counsel for the Normandy Mining Group where he was responsible for the Group's legal function including the legal aspects of the Group's M&A and project acquisition program both on and off shore. Since 1999 he has been the principal of Portcullis Corporate Advisory Pty Ltd a provider of corporate and strategic advice. *Former directorships in last 3 years* Red 5 Limited : 2002 to 2007 Ferraus Limited (previously Niquest Limited): 2003 to 2005 *Special responsibilities* Nicholas joined the board in 2003 in a non-executive capacity and is the Chairman of the Remuneration and Audit Committees of Mindax Limited. *Interest in shares and options* 3,078,100 ordinary shares in Mindax Limited.

Mr G.J. Bromley

Greg, aged 58 years, a geologist, has 33 years of experience in the mining and exploration industry as an exploration geologist, a consultant and company executive. His business experience is both local and international.

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

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

Since 1996 he has been the principal of Bromley & Co, Consulting Geologists operating locally and in Africa, Asia and Latin America. This has included management of the Agbaou gold project in Cote d'Ivoire, assignments at the Chirano gold project in Ghana and the Kroondal platinum project in South Africa. He contributed to the Barra Resources IPO and has consulted to Sipa Resources on their local exploration and business development programs.

He is also a director of unlisted Plateau Resources Limited.

Former directorships in last 3 years

None.

Special responsibilities

Gregory joined the Board of Mindax Limited in 2003 as Managing Director.

Interest in shares and options

6,355,001 ordinary shares in Mindax Limited.

500,000 unlisted employee options over ordinary shares in Mindax Limited.

Mr A Tsang

Andrew, aged 52 years, is a naturalised Australian citizen who was born and educated in China and who has successfully established and run construction, engineering and property development businesses both in China and Australia as well as establishing successful import agencies for Australian manufactured goods into China.

Former directorships in last 3 years

None.

Special responsibilities

Andrew joined the board on 28 March 2008 in a non-executive capacity and on 20 August 2008 was appointed a member of the Remuneration Committee of Mindax Limited.

Interest in shares and options

25,999,020 ordinary shares in Mindax Limited.

Company Secretary

Mr A Francesca	Certified Practising Accountant, aged 37, with fifteen years experience in public practice. He is a director and equity holder of a medium sized accounting practice, FJH Solutions. He has provided client support across a wide range of industries including mining and exploration to private and public companies.

Principal activities

The consolidated entity's principal activity during the course of the financial year was mineral exploration.

Results

The operating loss of the consolidated entity after providing for income tax amounted to $554,987 for the financial year (2007: $1,128,816).

Financial Position

The consolidated entity's working capital for 2008, being current assets less current liabilities, is $3,084,842. Expenditure for the year has tracked to budget and the directors believe the Company is in a strong and stable financial position.

Review of operations

Corporate

On 26 October 2007, the Company completed the placement of 3,800,000 ordinary fully paid shares to sophisticated investors raising gross proceeds of $494,000 for working capital purposes.

On 10 December 2007 the Company finalised a renounceable entitlements issue raising gross proceeds of approximately $2,409,139. In total 24,091,387 ordinary fully paid shares were issued together with 12,045,709 free attaching options expiring 30 June 2008 with an exercise price of 20 cents each.

On 27 March 2008 the Company entered into an underwriting agreement with Mr Andrew Tsang whereby Mr Tsang agreed, subject to conditions including shareholder approval which was received on 18 June 2008, to underwrite up to 19.9% of the listed option securities that expired on 30 June 2008.

During the year 6,385,432 ordinary fully paid shares raising gross proceeds of $1,277,086 were issued as a result of the exercise of listed options expiring 30 June 2008.

On 16 June 2008 100,000 ordinary fully paid shares raising gross proceeds of $25,000 were issued as a result of the exercise of unlisted employee options expiring 21 December 2008.

On 15 May 2008, 200,000 unlisted employee options with an exercise price of 25 cents and an expiry date of 10 January 2011 issued under the Company's Employee and Consultant Option Scheme ('EOS') were cancelled pursuant to clause 5.5 of the EOS.

Exploration

The consolidated entity continued its exploration efforts on its tenement prospects during the financial year ended 30 June 2008. Some highlights include:

Bulga Downs

- Detailed mapping and sampling of the extensive Mt Forrest iron formations has identified a number of further zones of hematite-goethite mineralisation in the southern part of the project area. This mineralisation refines already identified drilling targets and presents new drilling targets. Surface rock chip results include 45 of 86 exceeding 60% Fe with a maximum of 63.8% Fe.

- Potential may exist for **90 to 100 million tonnes of mineralised material with an iron grade of 57% to 63% and low phosphorous content**.

Yilgarn Avon Joint Venture – Mortlock Project (Uranium, Gold, Copper)

- A comprehensive review of the technical database has identified two major zones of prospectivity for gold-copper-uranium through the Centre Forrest-Southern Brook mineralisation and a parallel zone of copper-lead-zinc prospectivity further to the west. Each of these zones exceeds 20km in length. Planning of surface geochemistry is advanced to better define drilling targets.

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- The data analysis has enabled identification of wider prospectivity in the general area and further tenure has been applied for over approximately 90 km^2 including an area prospective for magnetite mineralisation.

- The gold-copper dimension of this ground has already produced significant widths of mineralisation offering immediate drill targets for significant large tonnage positions analogous to the nearby Boddington mineralisation.

Yilgarn Avon Joint Venture – Palaeochannel Project (Uranium)

- Aircore drilling in the Muckinbudin area returned very encouraging results. Anomalous but sub-economic uranium values were returned from a 4m interval of gravels between 56 and 60 metres in drillhole YAA0056. The interval averaged 66 ppm U and included 1m of 93.7 ppm U against a background of <5ppm U. The gravels appear oxidised and lie towards the base of the channel beneath a thick layer of reduced clays. There has been no previous drilling in the area. This early positive result provides important support for the notion that sedimentary uranium mineralisation may occur in this newly identified geological environment. This is further supported by low order U geochemical anomalism and gamma log peaks in similar positions in other holes.

- The Yilgarn-Avon project has already demonstrated very significant uranium anomalism in ground waters to >1000ppb U and suitable carbon traps within the drainages.

Significant changes in state of affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

Subsequent events

On 4 August 2008, 250,000 unlisted employee options with a vesting date of 1 August 2009, an exercise price of 53 cents and an expiry date of 4 August 2011 were issued under the Company's Employee and Consultant Option Scheme ('EOS') for nil consideration to arms length employees.

In early July 2008, 38,310,470 ordinary fully paid shares raising gross proceeds of $7,662,094 were issued as follows:

§ 30,538,713 ordinary fully paid shares as a result of the exercise of listed options expiring on 30 June 2008,

§ 1,335,788 and 6,435,969 ordinary fully paid shares representing respectively the 'Underwritten Shares' and 'Top Up Shares' pursuant to the underwriting agreement with Mr Andrew Tsang (the terms of which were approved at a general meeting of shareholders held on 18 June 2008).

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely developments and expected results of operations

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Environmental Regulations

The consolidated entity is subject to significant environmental regulation in respect to its mineral exploration activities. These obligations are regulated under relevant government authorities within Australia. The consolidated entity is a party to exploration and development licences which generally specify the applicable environmental regulations.

During the financial year, the Company has not breached any relevant Commonwealth, State or Territory environmental regulations.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, fifteen (15) board meetings, one (1) remuneration committee meeting and two (2) audit committee meetings were held.

	Board of directors		Remuneration committee		Audit committee	
Directors	Held	Attended	Held	Attended	Held	Attended
G.C. George	15	13	1	1	2	2
N.J. Smith	15	15	1	1	2	2
G.J. Bromley	15	15	N/A	N/A	N/A	N/A
A. Tsang	2	2	-	-	-	-

Retirement, election and continuation in office of directors

Mr A. Tsang was appointed to the board on 28 March 2008.

Remuneration report

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Services agreements
D Share-based compensation

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

The remuneration arrangements detailed in this report are for Non-Executive and Executive directors of Mindax Limited as follows:

- G.C George (Chairman, Non-executive)
- N.J. Smith (Non-executive)
- G.J. Bromley (Managing Director, Executive)
- A. Tsang (Non-executive)

The group executives (key management personnel) of Mindax Limited during the year were:

- A Francesca (Company Secretary)

A Principles used to determine the nature and amount of remuneration

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

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

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

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

Non-executive directors

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

The current base remuneration was last reviewed in December 2007. The Chairman currently receives a fixed fee for his services as a Director.

The Company's Non-Executive Directors' remuneration package contains the following components:
- primary benefits – quarterly director's fees

Non-Executive Director fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $150,000 pa and was approved by shareholders at the 2004 Annual General Meeting.

No retirement benefits are provided, other than compulsory superannuation.

Executive directors

The Company's Executive Director's remuneration package contains the following components:
- base pay and benefits, including superannuation;
- short-term performance incentives; and
- equity – share options granted under the employee and consultant share option scheme.

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

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

A vehicle and car bay is provided as an additional benefit to Executive Directors.

A Principles used to determine the nature and amount of remuneration (cont'd)

The following table shows the gross revenue, profits/losses and share price of the Group at the end of the respective financial years.

	30 June 2004	30 June 2005	30 June 2006	30 June 2007	30 June 2008
Revenue from continuing operations	4,559	91,239	116,046	100,451	212,794
Net profit/(loss)	(12,470)	(251,752)	(439,460)	(1,128,816)	(554,987)
Share price	n/a	$0.098	$0.150	$0.125	$0.340

Long term incentives are provided through the Mindax Share Option Plan. The issue of options is not linked to performance conditions because by setting the option price at a level above the current share price at the time the options are granted, provides incentive for management to improve the Company's performance.

B Details of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Mindax Limited and the Mindax Limited Group are set out in the following tables.

The key management personnel of Mindax Limited includes the directors as detailed above and the following executive officer who has authority and responsibility in the Company:

- Angelo Francesca – Company Secretary.

2008	Short-term employee benefits				Post-employment benefits				Share-based payment				
									Equity-settled				
	Salary & directors fees $	Consulting fees $	Non-monetary $	Other $	Superannuation $	Other $	Other long-term employee benefits (v) $	Termination benefits $	Shares & units $	Options & rights $	Cash settled $	Other $	Total $
Directors													
G.C. George	32,500	29,268	-	-	2,925	-	-	-	-	-	-	-	64,693
N.J. Smith	27,500	40,400	-	-	2,475	-	-	-	-	-	-	-	70,375
G.J. Bromley	166,400	11,320	-	-	39,976	-	-	-	-	-	-	-	217,696
A. Tsang	7,893	-	-	-	705	-	-	-	-	-	-	-	8,598
Sub-total	234,293	80,988	-	-	46,081	-	-	-	-	-	-	-	361,362
Other Corporate Executives													
A. Francesca	-	101,421	-	-	-	-	-	-	-	-	-	-	101,421
Total	234,293	182,409	-	-	46,081	-	-	-	-	-	-	-	462,783

2007	Short-term employee benefits				Post-employment benefits				Share-based payment				
									Equity-settled				
	Salary & directors fees $	Consulting fees $	Non-monetary $	Other $	Superannuation $	Other $	Other long-term employee benefits (v) $	Termination benefits $	Shares & units $	Options & rights $	Cash settled $	Other $	Total $
Directors													
G.C. George	30,000	-	-	-	2,700	-	-	-	-	-	-	-	32,700
N.J. Smith	25,000	23,335	-	-	2,250	-	-	-	-	-	-	-	50,585
G.J. Bromley	160,000	9,945	-	-	14,400	-	-	-	-	-	-	-	184,345
Sub-total	215,000	33,280	-	-	19,350	-	-	-	-	-	-	-	267,630
Other Corporate Executives													
A. Francesca	-	54,484	-	-	-	-	-	-	-	-	-	-	54,484
	215,000	87,764	-	-	19,350	-	-	-	-	-	-	-	322,114

The percentage of remuneration consisting of options for 2007 and 2008 is nil. No remuneration disclosed above is formally linked to performance criterion.

C Service agreements

The company has entered into service contracts with Mr G J Bromley and Mr A Francesca.

By Service Agreement dated 5 October 2004, the Company agreed to appoint Gregory John Bromley as its Managing Director effective for an initial two year period commencing on 3 December 2004. The remuneration committee reviewed Mr Bromley's salary package on 14 December 2007. Following such review it was resolved that Mr Bromley is to be paid $172,800 in annual salary plus superannuation and will be reimbursed for all reasonable expenses incurred in carrying out the services of a managing director (as further specified in the agreement). Mr Bromley is also provided a fully serviced and maintained vehicle with agreement that private use be an infrequent and incidental component of total usage. An extension of the term of his original service contract until 31 December 2008 was granted previously on 7 August 2006. Future bonuses are to be considered subject to meeting performance hurdles (at this stage no formal performance criteria have been set by the remuneration committee).

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

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

By Consultancy Agreement effective 1 March 2006, the Company agreed to engage FJH Solutions ("the consultant") of which Mr Angelo Francesca is a director, to support the Company secretarial function. The engagement was for an initial term of twelve months and may be extended by written notice not less than four weeks from the date the initial term is due to expire. On 9 August 2007, it was formally resolved that the engagement be extended until 30 June 2008, and on 20 August 2008 it was formally resolved to extend the engagement until 30 June 2009.

The consultant is to be paid $5,300 per month plus GST as applicable and all costs necessarily incurred. Further, any time incurred in respect of special consulting work outside the scope of the present engagement is to be charged at the consultant's specified charge out rates.

The agreement may be terminated by the Company, without notice where Mr Francesca is guilty of grave misconduct, becomes bankrupt or of unsound mind, is convicted of any criminal offence, becomes permanently incapacitated or dies. If the Company terminates the agreement and none of the prementioned circumstances apply, the Company must pay an agreed termination payment.

Mr Francesca may also terminate the agreement with 4 weeks notice.

D Share-based compensation

The Board has adopted the Mindax Limited Employee and Consultants Option Scheme ('EOS'). The primary purpose of the Plan is to increase the motivation of employees, promote the retention of employees, align employee interest with those of the Company and its shareholders and to reward employees who contribute to the growth of the Company.

The terms and conditions of each grant of Plan options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise price $	Value per option at grant date
21-Dec-05	21-Dec-05	21-Dec-08	0.25	$0.043
10-Jan-08	10-Jan-08	10-Jan-11	0.25	$0.029

Options granted under the EOS carry no dividend or voting rights. The grant date equals the vesting date for all options.

During the year no EOS options were issued to Directors. (2007: Nil)

No shares have been issued to Directors as a result of the exercise of any Plan options in the current financial year (2007: Nil).

Shares under option

Unissued ordinary shares of Mindax Limited under option as at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option	Value of option at grant date
21 Dec 2005	21 Dec 2008	25 cents	600,000	$0.043
10 Jan 2008	10 Jan 2011	25 cents	100,000	$0.029
Total			**700,000**	

In addition 250,000 unlisted employee options with a vesting date of 1 August 2009, exercise price of 53 cents and expiry date of 3 years from date of vesting were issued on 4 August 2008.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. The options are exercisable at any time after vesting and on or before the expiry date.

<u>Share Options Issued</u>

On 10 December 2007 the Company finalised a renounceable entitlements issue raising gross proceeds of approximately $2,409,139. In total 24,091,387 ordinary fully paid shares were issued together with 12,045,709 free attaching options expiring 30 June 2008 with an exercise price of 20 cents each.

On 10 January 2008, 300,000 unlisted employee options with an exercise price of 25 cents and an expiry date of 10 January 2011 were issued under the company's Employee and Consultant Option Scheme ("EOS") for nil consideration to arms length employees, of which 200,000 were subsequently cancelled.

<u>Share Options Exercised</u>

During the year 6,385,432 ordinary fully paid shares raising gross proceeds of $1,277,086 were issued as a result of the exercise of listed options expiring 30 June 2008.

On 16 June 2008 100,000 ordinary fully paid shares raising gross proceeds of $25,000 were issued as a result of the exercise of unlisted employee options expiring 21 December 2008.

Indemnification of officers and auditors

The company has entered into Director & Officer Protection Deeds ("Deed") with each Director. Under the Deed, the company indemnifies the officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/ client basis) suffered, paid or incurred by the officers in connection with the officers being an officer of the company, the employment of the officer with the Company or a breach by the Company of its obligations under the Deed.

During the financial year, the company paid a premium in respect of a contract insuring the officers of the company and related body corporate against a liability incurred by such officers to the extent permitted by law. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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 purposes of taking responsibility on behalf of the Company for all or 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.*

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/ or the Group are important.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as outlined below, did not compromise the auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principle relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the financial year, no amounts were paid or payable to the auditor for non audit services. Details of amounts paid to the auditor for services are set out below:

Statutory Audit

BDO Kendalls Audit & Assurance (WA) Pty Ltd	**2008** **$**	**2007** **$**
Audit or review of the financial report	25,873	19,464

Auditor

BDO Kendalls Audit and Assurance (WA) Pty Ltd continues in office in accordance with section 327 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 attached on page 16.

This report is made in accordance with a resolution of directors.

On behalf of the Directors

Gregory John Bromley
Director
Perth, 25th September 2008

BDO Kendalls

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www.bdo.com.au

ABN 79 112 284 787

25 September 2008

Board of Directors
Mindax Limited
Suite 9, 57 Labouchere Road
SOUTH PERTH WA 6151

Dear Sirs

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor of Mindax Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

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

Peter Toll

Peter Toll
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia.

Directors' declaration

The directors declare that:

a) in the directors' opinion, 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;

b) in the directors' opinion, the attached financial statements and notes thereto and the additional disclosures included in the directors' report designated as audited are in accordance with the Corporations Regulations 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;

c) the audited remuneration disclosures set out on the directors' report comply with Accounting Standards AASB 124 Related Party Disclosures and the Corporations Regulations 2001; and

d) the directors have been given the declarations required by s.295A of the Corporations Regulations 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Regulations 2001.

On behalf of the Directors

Gregory John Bromley
Director
Perth, 25th September 2008

BDO Kendalls

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INDEPENDENT AUDITOR'S REPORT

To the members of Mindax Limited

Report on the Financial Report

We have audited the accompanying financial report of Mindax Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

BDO Kendalls

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Mindax Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Mindax Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001.*

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

Peter Toll

Peter Toll
Perth, Western Australia
Dated this 25th day of September 2008

Income statements for the financial year ended 30 June 2008

		Consolidated		Company	
	Note	2008 $	2007 $	2008 $	2007 $
Revenue from continuing operations	3	212,794	100,451	177,000	100,451
Employee benefits expense		(128,937)	(62,762)	(128,937)	(62,762)
Share-based payment – employee options		(8,700)	-	(8,700)	-
Directors fees		(67,830)	(55,000)	(67,830)	(55,000)
Depreciation and amortisation expense		(33,213)	(45,156)	(33,213)	(45,156)
Finance costs		(11,935)	(9,887)	(11,935)	(9,887)
Write-off of exploration expenditure		(66,608)	(635,064)	(9,998)	(635,064)
Corporate management fees		(170,631)	(128,174)	(170,631)	(128,174)
Project review/ business development costs		-	(40,357)	-	(40,357)
Marketing expense		(24,882)	(44,347)	(24,882)	(44,347)
Occupancy expenses		(40,109)	(36,756)	(40,109)	(36,756)
Administration expenses		(214,936)	(171,764)	(214,443)	(171,051)
Loss from ordinary activities before related income tax	4	(554,987)	(1,128,816)	(533,678)	(1,128,103)
Income tax benefit relating to ordinary activities	5	-	-	-	-
Loss for the period		(554,987)	(1,128,816)	(533,678)	(1,128,103)
Loss attributable to members of the parent entity		(554,987)	(1,128,816)	(533,678)	(1,128,103)
Loss per share:					
Basic (cents per share)	22	(0.762)	(2.118)		
Diluted (cents per share)	22	n/a	n/a		

Notes to the financial statements are included on pages 24 to 51

Balance sheets as at 30 June 2008

	Note	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
ASSETS					
Current assets					
Cash and cash equivalents	29	9,241,057	990,832	9,236,127	985,902
Trade and other receivables	9	69,171	53,097	65,834	48,245
Total current assets		9,310,228	1,043,929	9,301,961	1,034,147
Non-current assets					
Other financial assets	10	-	-	918,119	419,332
Property, plant and equipment	11	133,014	155,422	133,014	155,422
Exploration & evaluation expenditure	12	4,689,593	3,565,994	3,802,617	3,158,291
Other	13	4,345	4,625	3,785	3,785
Total non-current assets		4,826,952	3,726,041	4,857,535	3,736,830
Total assets		14,137,180	4,769,970	14,159,496	4,770,977
LIABILITIES					
Current liabilities					
Trade and other payables	14	308,283	107,763	308,283	107,763
Borrowings	15	69,065	36,257	69,065	36,257
Provisions	16	31,754	17,090	31,754	17,090
Other	17	5,816,284	-	5,816,284	-
Total current liabilities		6,225,386	161,110	6,225,386	161,110
Non-current liabilities					
Borrowings	18	-	66,487	-	66,487
Total non-current liabilities		-	66,487	-	66,487
Total liabilities		6,225,386	227,597	6,225,386	227,597
Net assets		7,911,794	4,542,373	7,934,110	4,543,380
EQUITY					
Contributed equity	19	10,270,579	6,344,771	10,270,579	6,344,771
Reserves	20	28,700	30,100	28,700	30,100
Retained earnings	21	(2,387,485)	(1,832,498)	(2,365,169)	(1,831,491)
Total equity		7,911,794	4,542,373	7,934,110	4,543,380

Notes to the financial statements are included on pages 24 to 51

Statements of changes in equity for the financial year ended 30 June 2008

CONSOLIDATED	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
At 30 June 2006	**5,773,698**	**36,120**	**(703,682)**	**5,106,136**
Total income and expenses for the period	-	-	(1,128,816)	(1,128,816)
Issue of share capital	571,073	-	-	571,073
Options converted	-	-	-	-
Options cancelled – employee incentives	-	(6,020)	-	(6,020)
Sub-total	**571,073**	**(6,020)**	**(1,128,816)**	**(563,763)**
At 30 June 2007	**6,344,771**	**30,100**	**(1,832,498)**	**4,542,373**
Total income and expenses for the period	-	-	(554,987)	(554,987)
Issue of share capital	2,623,722	-	-	2,623,722
Options converted	1,302,086	-	-	1,302,086
Options issued – employee incentives	-	8,700	-	-
Options exercised/ cancelled – employee incentives	-	(10,100)	-	(1,400)
Sub-total	**3,925,808**	**(1,400)**	**(554,987)**	**3,369,421**
At 30 June 2008	**10,270,579**	**28,700**	**(2,387,485)**	**7,911,794**

PARENT				
At 30 June 2006	**5,773,698**	**36,120**	**(703,387)**	**5,106,431**
Total income and expenses for the year	-	-	(1,128,104)	(1,128,104)
Issue of share capital	571,073	-	-	571,073
Options converted	-	-	-	-
Options cancelled – employee incentives	-	(6,020)	-	(6,020)
Sub-total	**571,073**	**(6,020)**	**(1,128,104)**	**(563,051)**
At 30 June 2007	**6,344,771**	**30,100**	**(1,831,491)**	**4,543,380**
Total income and expenses for the year	-	-	(533,678)	(533,678)
Issue of share capital	2,623,722	-	-	2,623,722
Options converted	1,302,086	-	-	1,302,086
Options cancelled – employee incentives	-	(1,400)	-	(1,400)
Sub-total	**3,925,808**	**(1,400)**	**(533,678)**	**3,390,730**
At 30 June 2008	**10,270,579**	**28,700**	**(2,365,169)**	**7,934,110**

Notes to the financial statements are included on pages 24 to 51

Cash flow statements
for the financial year ended 30 June 2008

	Note	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Cash flows from operating activities					
Interest received		124,575	69,964	124,231	69,964
Payments to suppliers and employees		(489,869)	(491,881)	(526,621)	(487,756)
Interest and other costs of finance paid		(11,935)	(9,887)	(11,935)	(9,887)
Net cash (outflow) from operating activities	29(b)	(377,229)	(431,804)	(414,325)	(427,679)
Cash flows from investing activities					
Payment for investment securities		-	-	-	-
Amounts advanced to subsidiary		-	-	(498,787)	(280,149)
Payment for property, plant and equipment		(10,805)	(15,945)	(10,805)	(15,945)
Payment for purchase of tenements		-	-	-	-
Payment for exploration expenditure		(1,070,154)	(1,050,357)	(534,271)	(774,277)
Payment for intangible assets		-	-	-	-
Net cash (outflow) from investing activities		(1,080,959)	(1,066,302)	(1,043,863)	(1,070,371)
Cash flows from financing activities					
Proceeds from issues of equity securities		4,205,225	600,000	4,205,225	600,000
Proceeds from applications for shares		5,816,284	-	5,816,284	-
Payment for share issue costs		(279,417)	(37,902)	(279,417)	(37,902)
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		(33,679)	(44,845)	(33,679)	(44,845)
Net cash inflow from financing activities		9,708,413	517,253	9,708,413	517,253
Net increase/(decrease) in cash and cash equivalents		8,250,225	(980,853)	8,250,225	(980,797)
Cash and cash equivalents at the beginning of the financial year		990,832	1,971,685	985,902	1,966,699
Cash and cash equivalents at the end of the financial year	29(a)	9,241,057	990,832	9,236,127	985,902

Notes to the financial statements are included on pages 24 to 51

Notes to the financial statements for the financial year ended 30 June 2008

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Mindax Limited as an individual entity and the consolidated entity consisting of Mindax Limited and its subsidiary.

The financial statements were authorised for issue by the directors on 25th September 2008.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards ('AASB'), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

The financial report has been prepared on the basis of the historical cost convention and is presented in Australian dollars.

Statement of Compliance

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

(a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(b) Cash and cash equivalents

For cash flow statement 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 an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(c) Employee benefits

General

Employee benefit expenses arising in respect of wages and salaries, annual leave, long service leave and other types of employee benefits are charged to the income statement in the period in which they are incurred. Contributions to superannuation funds by the Company are charged to the income statement when due. A superannuation scheme is not maintained on behalf of employees.

1. Summary of accounting policies (cont'd)

Wages, salaries, annual leave and sick leave

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the reporting date represent present obligations resulting from employee's services provided to reporting date, are measured at undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay at reporting date.

Long service leave

The liability for long service leave is recognised in provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement benefit obligations

The Group makes statutory superannuation guarantee contributions in respect of each employee to their nominated complying superannuation plan. In certain circumstances, pursuant to an employee's employment contract the Group may also make salary sacrifice superannuation contributions in addition to the statutory guarantee contribution.

Share based payments

Share-based compensation benefits are provided to employees via the Mindax Limited Employee and Consultants Option Scheme (EOS). Information relating to this scheme is set out in note 7.

(d) Investments and other financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Held-to-maturity investments

Bills of exchange and debentures are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

1. Summary of accounting policies (cont'd)

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(e) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Compound instruments

The component parts of compound instruments are classified separately as liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible debt. The equity component initially brought to account is determined by deducting the amount of the liability component from the amount of the compound instrument as a whole.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(f) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

i. exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;

ii. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

iii. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

1. Summary of accounting policies (cont'd)

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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 they are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill are reviewed for possible reversal of the impairment at each reporting date.

(i) Income tax

The income tax expense or revenue 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.

Deferred income tax is provided in full, using the liability method, on temporary difference 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 the 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 substantively enacted by the balance sheet date and are expected to apply then the 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 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 liabilities and assets 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.

1. Summary of accounting policies (cont'd)

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity

Tax Consolidation

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

(j) Joint ventures

Jointly controlled assets and operations

Interests in jointly controlled assets and operations are reported in the financial statements by including the consolidated entity's share of assets employed in the joint ventures, the share of liabilities incurred in relation to the joint ventures and the share of any expenses incurred in relation to the joint ventures in their respective classification categories.

Jointly controlled entities

Interests in jointly controlled entities are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

(k) Leased assets

Consolidated entity as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the consolidated entity's general policy on borrowing costs.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(l) Exploration, evaluation and development expenditure

Exploration, evaluation and development costs 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.

1. Summary of accounting policies (cont'd)

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

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Principles of consolidation

The consolidated financial statements comprise the financial statements of Mindax Limited and its subsidiaries at 30 June each year ("the Group").

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control.

Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Subsidiaries are accounted for in the parent entity financial statements at cost.

(o) Property, plant and equipment

Plant and equipment and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Plant and equipment 2.5 – 20 years

(p) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

1. Summary of accounting policies (cont'd)

(q) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Dividend and interest revenue

Dividends are recognised as revenue when the right to receive payment is established.

Interest revenue is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members 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.

(s) 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.

(t) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

1. Summary of accounting policies (cont'd)

(u) Accounting estimates & judgements

In preparing this Financial Report the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

As at 30 June 2008, the carrying value of capitalised exploration expenditure is $4,689,593.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation 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.

(v) New accounting standards and interpretations

Certain new accounting standards have been published that are not mandatory for 30 June 2008 reporting periods. The Group has not applied any of the following in preparing this financial report In all cases the entity intends to apply these standards from application date as indicated in the table below.

Affected Standard	Nature and Impact of Change to Accounting Policy	Application *
AASB 8: Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	No impact on accounting policy or amounts recognised in the financial statements, but will require change to disclosures in relation to 'management approach' of segment reporting	1 January 2009
AASB 123 : Borrowing Costs	No impact on financial statements as no borrowing costs incurred by the Group to date	1 January 2009
AASB 101: Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	Introduces a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements.	1 January 2009
AASB 3 : Business Combinations	As there is no requirement to retrospectively restate comparative amounts for business combinations undertaken before this date, there is unlikely to be any impact on the financial statements when this revised standard is first adopted.	1 July 2009
AASB 127 : Consolidated and Separate Financial Statements	As there is no requirement to retrospectively restate the effect of these revisions, there is unlikely to be any impact on the financial statements when this revised standard is first adopted.	1 July 2009

* Applicable to reporting periods commencing on or after the given date.

2. Financial risk management

The Group's activities expose it to a variety of financial risks: (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments, however the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, aging analysis for credit risk and at present are not exposed to price risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Company.

The Group and the Company hold the following financial instruments:

	CONSOLIDATED		THE COMPANY	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents	9,241,057	990,832	9,236,127	985,902
Trade and other receivables	69,171	53,097	65,834	48,245
	9,310,228	1,043,929	9,301,961	1,034,147
Financial liabilities				
Trade and other payables	308,283	107,763	308,283	107,763
Borrowings	69,065	102,744	69,065	102,744
	377,348	210,507	377,348	210,507

The Group's principal financial instruments comprise cash and short-term deposits. The Group does not have any borrowings.

The main purpose of these financial instruments is to fund the Group's operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group are cash flow (interest rate risk, liquidity risk and credit risk). The Board reviews and agrees policies for managing each of these risks and they are summarised below.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings or financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(i) *Foreign exchange risk*
The Company does not currently operate internationally and therefore its exposure to foreign exchange risk arising from currency exposures is limited.

(ii) *Price risk*
The Group is not exposed to equity securities price risk and holds no equity investments. The Group is not exposed to any price risks as it's activity is predominantly mineral exploration and no sales of product have been made to date.

(iii) *Cash flow and interest rate risk*
The Group's only interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the group to cash flow interest rate risk. As the majority of the Company's cash and cash equivalents balance as at 30 June 2008 was received close to financial year end, the Company does not consider this risk to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

2. Financial risk management (cont'd)

The following sets out the Group's exposure to interest rate risk, including the effective weighted average interest rate by maturity periods:

30 June 2008 Consolidated	Note	Weighted average interest rate	1 year or less $	2-5 years $	Total $
Financial assets					
Cash and cash equivalents	29	7.35%	9,241,057	-	9,241,057
Financial liabilities					
Borrowings	15, 18	7.84%	(69,065)	-	(69,065)
Total			9,171,992	-	9,171,992

30 June 2007 Consolidated	Note	Weighted average interest rate	1 year or less $	2-5 years $	Total $
Financial assets					
Cash and cash equivalents	29	5.6%	990,832	-	990,832
Financial liabilities					
Borrowings	15, 18	7.96%	(36,257)	(66,487)	(102,744)
Total			954,575	(66,487)	888,088

b) Credit risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables are immaterial to the Group. Given this the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of Note 2.

Financial assets that are neither past due and not impaired are as follows:-

	CONSOLIDATED		THE COMPANY	
	2008 $	2007 $	2008 $	2007 $
Cash and cash equivalents				
'AA' S&P rating	9,241,057	990,832	9,236,127	985,902

2. Financial risk management (cont'd)

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Group's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates.

The directors monitor the cash-burn rate of the group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade and other payables incurred in the normal course of the business. These were non interest bearing and were due within the normal 30-60 days terms of creditor payments. Borrowings consist of Hire Purchase funding, of which the balance is payable over the next 12 months at a weighted average interest rate of 7.84%.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group – At 30 June 2008	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying amount (assets)/ liabilities**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Non-derivatives							
Non-interest bearing	308,283	-	-	-	-	308,283	308,283
Variable rate	-	-	-	-	-	-	-
Fixed rate	58,755	10,310	-	-	-	69,065	69,065
Total non-derivatives	**367,038**	**10,310**	-	-	-	**377,348**	377,348

Group – At 30 June 2007	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying amount (assets)/ liabilities**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Non-derivatives							
Non-interest bearing	107,763	-	-	-	-	107,763	107,763
Variable rate	-	-	-	-	-	-	-
Fixed rate	21,565	23,075	36,423	66,525	-	147,588	147,588
Total non-derivatives	**129,328**	**23,075**	**36,423**	**66,525**	-	**255,351**	255,351

2. Financial risk management (cont'd)

d) Fair value estimation

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

The fair value of financial instruments traded in active markets, such as trading and available for sale securities, is based on current quoted market prices at reporting date. The quoted market price used for financial assets held by the Company is the current market price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The consolidated entity's principle financial instruments consist of cash and deposits with banks, accounts receivable, trade, other and finance leases payable. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
3. Revenues				
From continuing operations				
Interest revenue:				
Bank deposits	122,697	74,687	122,352	74,687
Other revenue:				
Employee options cancelled	5,800	6,020	5,800	6,020
Government Offsets	35,449	-	-	-
Other	48,848	19,744	48,848	19,744
	90,097	25,764	54,648	25,764

Government grants
Research and development offsets of $35,449 (2007: nil) were recognised as other income by the Group during the financial year. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

4. Expenses

Loss before income tax has been arrived at after charging the following expenses. The line items below are amounts attributable to continuing operations:				
Finance costs:				
Other interest expense	(11,935)	(9,887)	(11,935)	(9,887)
Depreciation of non-current assets	(33,213)	(45,156)	(33,213)	(45,156)
Employee benefit expense:				
Other employee benefits	(128,937)	(62,762)	(128,937)	(62,762)

5. Income taxes

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
a) Income tax expense / (benefit)				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
R & D tax rebate	-	(118,163)	-	-
	-	(118,163)	-	-
Deferred income tax (revenue)/ expense Included in income tax expense comprises:				
Decrease/ (increase) in deferred tax assets	-	-	-	-
Decrease/ (increase) in deferred tax liabilities	-	-	-	-
	-	-	-	-
b) Numerical reconciliation of income tax benefit to prima facie tax payable				
Loss from continuing operations before income tax expense	(554,987)	(1,128,816)	(533,678)	(1,128,103)
Income tax (benefit) at 30% (2007: 30%)	(166,496)	(338,645)	(160,103)	(338,431)
Tax effect of amounts which are not deductible (taxable):				
Share-based payments	1,320	-	1,320	-
ITRAA 1997 s40-730 Exploration Expenditure	(360,868)	(265,338)	(193,298)	(212,808)
Write-off for business related capital costs	(37,805)	(21,041)	(37,805)	(21,041)
Sundry non-deductible items	54,857	216,898	35,353	216,898
Sundry non-assessable/ deductible items	(34,552)	(22,150)	(19,518)	(22,150)
	(543,544)	(430,276)	(374,052)	(377,532)
Under/ (over) provision in prior years	-	-	-	-
R & D tax rebate	-	118,163	-	-
Income tax expense/ (benefit) not recognised	543,544	312,113	374,052	377,532
Total income tax expense/ (benefit)	-	-	-	-
c) Tax losses				
Unused tax losses for which no deferred tax assets has been recognised	6,098,221	4,286,404	5,349,358	4,102,519
Potential tax benefit at 30%	1,829,466	1,285,921	1,604,807	1,230,756

5. Income taxes (cont'd)

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
d) Unrecognised temporary differences				
Deferred tax assets and liabilities not recognised relate to the following:				
Deferred tax assets				
Tax losses	1,829,466	1,285,921	1,604,807	1,230,756
Capital raising costs	92,719	46,699	92,719	46,699
Other temporary differences	31,979	23,292	31,979	23,292
Deferred tax liabilities				
Capitalised exploration expenditure	(1,406,878)	(1,069,798)	(1,140,785)	(947,487)
Other temporary differences	(3,065)	(4,577)	(3,065)	(4,577)
Net deferred tax assets	544,221	281,537	585,655	348,683

The deferred tax assets arising from these balances has not been recognised as an asset because recovery of tax losses is not probable at this point in time.

The potential tax benefit will only be obtained if:

i. the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;

ii. the relevant company continues to comply with the conditions for deductibility imposed by the law; and

iii. no changes in tax legislation adversely affect the relevant company in realising the benefit.

Tax Consolidation

Relevance of tax consolidation to the consolidated entity

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group. The decision to consolidate for tax purposes has not yet been formally notified to the Australian Taxation Office. The head entity within the tax consolidated group is Mindax Limited. The members of the tax-consolidated group are identified at note 26.

6. Key management personnel disclosures

(a) The key management personnel of Mindax Limited during the year were:

- G.C George (Chairman, non-executive)
- N.J Smith (Non-executive)
- G.J Bromley (Managing Director)
- A. Tsang (Non-executive)
- A. Francesca (Company Secretary)

6. Key management personnel disclosures (cont'd)

(b) Key management personnel compensation

The aggregate compensation of the key management personnel of the consolidated entity and the company is set out below:

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Short-term employee benefits	416,702	302,764	416,702	302,764
Post-employment benefits	46,081	19,350	46,081	19,350
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payment	-	-	-	-
	462,783	322,114	462,783	322,114

To the extent that key management personnel of the consolidated entity and key management personnel of the company differ, the aggregate compensation disclosed will differ between the company and the consolidated entity.

(c) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in section C of the remuneration report on pages 13-14.

(ii) Options holdings

The number of options over ordinary 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, are set out below.

2008	Bal @ 1/7/07	Granted as compensation	Exercised	Net other change	Bal @ 30/06/08	Bal vested @ 30/06/08	Vested and exercisable
	No.	No.	No.	No.	No.	No.	No.
G.C. George	560,625	-	638,875	78,250	-	-	-
N.J. Smith	432,500	-	255,700	(176,800)	-	-	-
G.J. Bromley	5,139,285	-	785,000	(3,854,285)	500,000	500,000	-
A. Tsang	-	-	1,117,000	1,117,000	-	-	-
	6,132,410	-	2,796,575	(2,835,835)	500,000	500,000	-

2007	Bal @ 1/7/06	Granted as compensation	Exercised	Net other change	Bal @ 30/06/07	Bal vested @ 30/06/07	Vested and exercisable
	No.	No.	No.	No.	No.	No.	No.
G.C. George	660,625	-	-	(100,000)	560,625	560,625	-
N.J. Smith	1,102,500	-	-	(670,000)	432,500	432,500	-
G.J. Bromley	5,139,285	-	-	-	5,139,285	5,139,285	-
	6,902,410	-	-	(770,000)	6,132,410	6,132,410	-

6. Key management personnel disclosures (cont'd)

(ii) 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, are set out below. There were no shares granted during the reporting period as compensation.

	Balance@ 1/7/07	Received on exercise of options (1)	Net other change	Balance@ 30/06/08
2008	No.	No.	No.	No.
G.C. George	1,391,250	638,875	756,500	2,786,625
N.J. Smith	2,316,000	255,700	506,400	3,078,100
G.J. Bromley	9,178,572	785,000	(3,608,571)	6,355,001
A. Tsang (2)	-	1,117,000	16,811,243	17,928,243
	12,885,822	2,796,575	14,465,572	30,147,969

	Balance@ 1/7/06	Received on exercise of options	Net other change	Balance@ 30/06/07
2007	No.	No.	No.	No.
G.C. George	1,321,250	-	70,000	1,391,250
N.J. Smith	2,205,000	-	111,000	2,316,000
G.J. Bromley	9,278,572	-	(100,000)	9,178,572
	12,804,822	-	81,000	12,885,822

There are no loans or other transactions at the end of the current year and prior year to Directors of Mindax Limited.

Note 1: The number of shares disclosed above as having been allotted upon exercise of options includes such allotment from the exercise of listed options that expired on 30 June 2008

Note 2: Subsequent to 30 June 2008, Mr Tsang was allotted a total of 7,771,757 ordinary fully paid shares representing the 'Underwritten Shares' and 'Top Up Shares' pursuant to the underwriting agreement approved by general meeting on 18 June 2008. Further, also subsequent to 30 June 2008 Mr Tsang acquired an additional 299,020 ordinary shares on market taking his total holding to 25,999,020 ordinary fully paid shares.

(d) Other transactions with key management personnel

Other transactions with key management personnel have been set out in note 28(d).

7. Share-based payments

(a) Employee and Consultant Option Scheme

The Mindax Limited Employee and Consultant Option Scheme ('EOS') was approved by shareholders at a general meeting held on 21 January 2004. The purpose of the EOS is to provide a means by which employees (including directors of the Company) and consultants, upon whom the responsibilities for the successful growth of the Company rest, can share in such growth and recognise the ability and efforts of those who have contributed to the success of the Company.

7. Share-based payments (cont'd)

The terms of the EOS include:

- Options are issued to selected Eligible Employees for free;
- The allotment of options is at the discretion of the Board of Directors;
- Shares allotted on the exercise of the options are to be issued at an exercise price which is the greater of:
  - 120% of the market value of the shares on the day the option is issued;
  - 25 cents; and
  - such greater amount as is determined by the Board (which will not be less than the minimum exercise price permitted by the Listing Rules),
- Options expire 3 years after the grant date;
- Options are unlisted and not transferable except with prior written approval of the Board; and
- Options carry no dividend rights or voting rights.

The Company had a total of 700,000 staff options over ordinary shares in the Company as at 30 June 2008. (2007: 700,000)

During the current financial year 300,000 options were issued to employees with an exercise price of $0.25 and an expiry date of 10 January 2011, of which 200,000 were subsequently cancelled.

Set out below are summaries of options granted under the Plan:

Grant date	Expiry date	Exercise price $	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Cancelled during the year Number	Vested and Exercisable at end of year Number
2008							
21-Dec-05	21-Dec-08	0.25	700,000	-	(100,000)	-	600,000
10-Jan-08	10-Jan-11	0.25	-	300,000	-	(200,000)	100,000
Total			**700,000**	**300,000**	**(100,000)**	**(200,000)**	**700,000**
Weighted average exercise price			$0.25	$0.25	$0.25	$0.25	$0.25
The weighted average remaining contractual life of share options outstanding at the end of the period was 0.77 years							
2007							
21-Dec-05	21-Dec-08	0.25	700,000	-	-	-	700,000
Total			**700,000**	**-**	**-**	**-**	**700,000**
Weighted average exercise price			$0.25				$0.25
The weighted average remaining contractual life of share options outstanding at the end of the period was 1.48 years							

(b) Expenses arising from share-based payment transactions

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

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Options issued under EOS	8,700	-	8,700	-

7. Share-based payments (cont'd)

(c) Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 30 June 2008 was 2.9 cents per option. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the option term, the share price at grant date and expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2008 included:

- options granted for no consideration, have a three year life and exercisable at any time prior to expiry date
- exercise price: $0.25
- grant date: 10 January 2008
- expiry date: 10 January 2011
- share price at grant date: 12 cents
- expected price volatility of the company's shares: 60%
- expected dividend yield: 0% (based on historic volatility)
- risk-free interest rate: 5.60%

8. Remuneration of auditors

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Auditor of the parent entity				
BDO Kendalls Audit & Assurance (WA) Pty Ltd				
Audit or review of the financial report	25,873	19,464	25,873	19,464

During the financial year, no amounts were paid or payable to the auditor for non audit services.

9. Current trade and other receivables

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Bank guarantee	34,955	20,915	34,955	20,915
Inter–entity loan to subsidiary	-	-	-	-
Goods and services tax (GST) recoverable	20,441	14,398	17,104	9,546
Other tax credits recoverable	1,444	544	1,444	544
Advance for expenditure	15	15	15	15
Prepayments	12,316	14,306	12,316	14,306
Accrued income	-	2,919	-	2,919
	69,171	53,097	65,834	48,245

a) Impaired trade receivables

There are no impaired trade receivables for both the Group and the parent entity in 2007 or 2008.

b) Past due but not impaired

There are no trade receivables past due but not impaired.

c) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. Refer to note 2 for information on the risk management policy of the Group.

10. Other non-current financial assets

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Shares in controlled entities (refer Note 26) (i)	-	-	10	10
Inter-entity loan to subsidiary	-	-	918,109	419,322
	-	-	918,119	419,332

(i) These financial assets are carried at cost.

11. Property, plant and equipment

	Consolidated Plant and equipment at cost $	Company Plant and equipment at cost $
Gross carrying amount		
Balance at 1 July 2006	241,704	241,704
Additions	15,945	15,945
Balance at 1 July 2007	257,649	257,649
Additions	10,804	10,804
Balance at 30 June 2008	268,453	268,453
Accumulated depreciation/ amortisation and impairment		
Balance at 1 July 2006	(57,070)	(57,070)
Depreciation expense	(45,156)	(45,156)
Balance at 1 July 2007	(102,226)	(102,226)
Depreciation expense	(33,213)	(33,213)
Balance at 30 June 2008	(135,439)	(135,439)
Net book value		
As at 30 June 2007	155,423	155,423
As at 30 June 2008	133,014	133,014

Aggregate depreciation allocated during the year is recognised as an expense and disclosed in note 4 to the financial statements.

12. Exploration & evaluation expenditure

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Deferred exploration costs brought forward	3,565,994	3,215,618	3,158,291	3,083,992
Deferred exploration costs this year	1,190,207	985,440	654,324	709,363
Exploration costs previously deferred, now written off	(66,608)	(635,064)	(9,998)	(635,064)
Deferred exploration costs carried forward	4,689,593	3,565,994	3,802,617	3,158,291

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
13. Other non-current assets				
Other	4,345	4,625	3,785	3,785
14. Current trade and other payables				
Trade payables	181,219	42,040	181,219	42,040
Other creditors and accruals	127,064	65,723	127,064	65,723
	308,283	107,763	308,283	107,763

a) Amounts not expected to be settled within the next 12 months

All amounts are expected to be settled within the next 12 months.

b) Risk exposure

Details of the Group's exposure to risks arising from current trade and other payables are set out in Note 2.

15. Current borrowings

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Secured				
Hire purchase liabilities (refer Note 24(d))	67,834	43,131	67,834	43,131
Less unexpired interest	(1,347)	(6,874)	(1,347)	(6,874)
	66,487	36,257	66,487	36,257
Unsecured				
Other loans – premium funding	2,702	-	2,702	-
Less unexpired interest	(124)	-	(124)	-
	2,578	-	2,578	-
	69,065	36,257	69,065	36,257

a) Security and fair value disclosures

Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in note 18.

b) Risk exposure

Details of the Group's exposure to risks arising from current and non current borrowings are set out in Note 2.

16. Current provisions

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Employee benefits	31,754	17,090	31,754	17,090

a) Amounts not expected to be settled within the next 12 months

The entire obligation is presented as current, since the group does not have an unconditional right to defer settlement. It is also expected that all annual leave entitlements will be taken in the next 12 months.

17. Other current liabilities

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Shares to be allotted	5,816,284	-	5,816,284	-

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $

18. Non-current borrowings

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Secured				
Hire purchase liabilities (refer Note 23(d))	-	67,834	-	67,834
Less unexpired interest	-	(1,347)	-	(1,347)
	-	66,487	-	66,487

a) Security and fair value disclosures

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

The fair value of the loans payable equals their carrying amount, as the impact of discounting is not significant.

No off-balance sheet liabilities are reported as at 30 June 2008 (2007: Nil)

b) Risk exposure

Details of the Group's exposure to risks arising from current and non current borrowings are set out in Note 2.

19. Contributed equity

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
90,805,286 fully paid ordinary shares (2007: 56,428,466)	10,270,579	6,344,771	10,270,579	6,344,771

	2008 No.	2008 $	2007 No.	2007 $
Fully paid ordinary shares				
Balance at beginning of financial year	56,428,467	6,344,771	52,428,467	5,773,698
Issue of shares :				
-for working capital at $0.15 per share pursuant to a share placement program	-	-	4,000,000	600,000
-for working capital at $0.13 per share pursuant to a share placement program	3,800,000	494,000	-	-
-for working capital at $0.10 per share pursuant to an entitlements issue	24,091,387	2,409,139	-	-
-pursuant to exercise of listed options at $0.20 per share	6,385,432	1,277,086	-	-
-pursuant to exercise of unlisted employee options at $0.25 per share	100,000	25,000		
-transaction costs arising from issue for cash	-	(279,417)	-	(28,927)
Balance at end of financial year	90,805,286	10,270,579	56,428,467	6,344,771

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

a) Share options

In accordance with the provisions of the Employee and Consultant Option Scheme, as at 30 June 2008, employees have options over 700,000 ordinary shares. 600,000 of which expire 21 December 2008 and have an exercise price of $0.25; the remaining 100,000 expire 10 January 2011 with an exercise price of $0.25

Share options carry no right to dividends and no voting rights.

19. Contributed equity (cont'd)

In addition to the above, applications for shares totaling 30,538,713 were received in respect of the listed "MDXOA" series of options that expired on 30 June 2008. Some cheque proceeds relating to such applications were banked before 30 June 2008 and the balance on 1 July 2008.

b) Capital risk management

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

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

20. Reserves

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Employee equity-settled benefits	28,700	30,100	28,700	30,100

Employee equity-settled benefits reserve				
Balance at beginning of financial year	30,100	36,120	30,100	36,120
Share-based payment	8,700	-	8,700	-
Options exercised	(4,300)	-	(4,300)	-
Options cancelled	(5,800)	(6,020)	(5,800)	(6,020)
Balance at end of financial year	28,700	30,100	28,700	30,100

The employee equity settled benefits reserve arises on the grant of share options to employees under the Employee and Consultant Option Scheme. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to employees is made in note 7 to the financial statements.

a) Nature and purposes of reserves

The share-based payments reserve is used to recognise the fair value of options issued to employees and consultants.

21. Accumulated losses

Balance at beginning of financial year	(1,832,498)	(703,682)	(1,831,491)	(703,387)
Net loss attributable to members of the parent entity	(554,987)	(1,128,816)	(533,678)	(1,128,104)
Balance at end of financial year	(2,387,485)	(1,832,498)	(2,365,169)	(1,831,491)

22. Earnings per share

	Consolidated	
	2008 Cents per share	2007 Cents per share
(a) Basic loss per share		
From continuing operations	(0.762)	(2.118)
Total basic loss per share	(0.762)	(2.118)

(b) Diluted loss per share

The Company's potential ordinary shares, being its options granted, are not considered dilutive as conversion of these options would result in a decrease in the net loss per share.

22. Earnings per share (cont'd)

(c) Reconciliations of earnings used in calculating earnings per share

	Consolidated 2008 $	2007 $
Basic loss from continuing operations	(554,987)	(1,128,816)

(d) Weighted average number of shares used as the denominator

	2008 No.	2007 No.
Weighted average number of ordinary shares for the purposes of basic loss per share	72,884,975	53,305,179

23. Commitments for expenditure

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
(a) Exploration Commitments				
Not longer than 1 year	1,570,975	1,565,434	1,068,475	1,345,434
Longer than 1 year and not longer than 5 years	8,744,150	12,693,870	4,907,400	5,509,120
Longer than 5 years	2,409,100	4,528,850	1,408,100	1,788,100
	12,724,225	18,788,154	7,383,975	8,642,654

(b) Lease commitments

Operating leases

Leasing arrangements

Operating leases relate to office and storage facilities with lease terms of between 1 to 2 years. The current office lease term expires on 2 January 2009 with the Company in discussions to procure alternate office space. The company/ consolidated entity does not have an option to purchase the leased asset at the expiry of the lease period.

These commitments are not provided for in the financial statements.

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Non-cancellable operating lease payments				
Not longer than 1 year	24,958	40,458	24,958	40,458
Longer than 1 year and not longer than 5 years	1,430	17,629	1,430	17,629
Longer than 5 years	-	-	-	-
	26,388	58,087	26,388	58,087

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
(c) Remuneration commitments				
<u>Directors</u>				
Commitments under non-cancelable employment contracts not provided for in the financial statements and payable:				
Not longer than 1 year	94,176	174,400	94,176	174,400
Longer than 1 year and not longer than 5 years	-	87,200	-	87,200
	94,176	261,600	94,176	261,600

23. Commitments for expenditure (cont'd)

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
(d) Hire purchase commitments				
Not longer than 1 year	67,834	43,131	67,834	43,131
Longer than 1 year and not longer than 5 years	-	67,834	-	67,834
	67,834	110,965	67,834	110,965
(e) CRCLEME Research commitments*				
Not longer than 1 year	-	50,000	-	50,000
Longer than 1 year and not longer than 5 years	-	-	-	-
	-	50,000	-	50,000

24. Contingent liabilities and contingent assets

Contingent liabilities

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

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

25. Joint ventures

On behalf of the 50/50 joint venture with Quasar Resources Pty Ltd ("YAJV"), Mindax Limited (through its wholly owned subsidiary, Mindax Energy Pty Ltd), has made further application for a number of additional exploration licences in the area. The YAJV has a land position of in excess of 4,500 sq km in South Western Australia with exploration having commenced on granted licences. The YAJV is an unincorporated joint venture with the consolidated entity having reported its share of assets employed, liabilities incurred and expenses incurred in their respective categories of the financial statements.

26. Subsidiaries

Name of entity	Country of incorporation	Ownership interest 2008 %	Ownership interest 2007 %
Parent entity			
Mindax Limited	Australia		
Subsidiaries			
Mindax Energy Pty Ltd (1)	Australia	100	100

(1) Incorporated on 23 January 2006

27. Segment information

Mindax Limited operates exclusively in mineral exploration operations in Australia.

28. Related party disclosures

(a) Parent entity

The parent entity within the Group is Mindax Limited.

(b) Subsidiary

Interest in subsidiary is set out in Note 26.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 6.

(d) Transactions and balances with related parties

FJH Solutions, a company in which Mr A Francesca is a director, has an agreement with the Company to provide support with the Company secretarial function. The engagement was for an initial term of twelve months and may be extended by written notice not less than four weeks from the date the initial term is due to expire. On 9 August 2007, it was formally resolved that the engagement be extended until 30 June 2008, and on 20 August 2008 it was formally resolved to extend the engagement until 30 June 2009. Any time incurred in respect of special consulting work outside the scope of the present engagement is to be charged at the consultant's specified charge out rates.

As at 30 June 2008 Mindax Limited owes FJH Solutions $32,560.

The above transactions are on commercial arms-length basis.

Amounts receivable from related parties are disclosed in note 9 & 11 to the financial statements. All loans advanced to and payable to the Company's wholly owned subsidiary are unsecured and subordinate to other liabilities. Interest is not charged on the outstanding intercompany loan balance.

29. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Cash and cash equivalents	9,241,057	990,832	9,236,127	985,902
Cash and cash equivalents attributable to discontinued operations	-	-	-	-
	9,241,057	990,832	9,236,127	985,902

29. Notes to the cash flow statement (cont'd)

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
(b) Reconciliation of loss for the period to net cash flows from operating activities				
Loss for the period	(554,987)	(1,128,816)	(533,678)	(1,128,103)
Depreciation and amortisation of non-current assets	33,213	45,156	33,213	45,156
Equity settled share-based payment	(1,400)	(6,020)	(1,400)	(6,020)
Write-off of tenement expenditure	66,608	635,064	9,998	635,064
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:				
(Increase)/decrease in assets:				
Current receivables	(6,942)	22,372	(8,457)	26,064
Other current assets	3,869	1,547	3,869	1,547
Other non-current assets	280	280	-	-
Increase/(decrease) in liabilities:				
Current payables	67,466	5,087	67,466	5,087
Current provisions	14,664	(6,474)	14,664	(6,474)
Net cash used/ (from) operating activities	(377,229)	(431,804)	(414,325)	(427,679)

30. Subsequent events

On 4 August 2008, 250,000 unlisted employee options with a vesting date of 1 August 2009, an exercise price of 53 cents and an expiry date of 4 August 2011 were issued under the Company's Employee and Consultant Option Scheme ('EOS') for nil consideration to arms length employees.

In early July 2008, 38,310,470 ordinary fully paid shares raising gross proceeds of $7,662,094 were issued as follows:

- 30,538,713 ordinary fully paid shares as a result of the exercise of listed options expiring on 30 June 2008,
- 1,335,788 and 6,435,969 ordinary fully paid shares representing respectively the 'Underwritten Shares' and 'Top Up Shares' pursuant to the underwriting agreement with Mr Andrew Tsang (the terms of which were approved at a general meeting of shareholders held on 18 June 2008).

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.