MINDAX LIMITED

ABN 28 106 866 442

ANNUAL REPORT 2009

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)

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

Principal Office

Level 2, 25 Richardson Street
West Perth WA 6005

PO Box 92
West Perth WA 6872
Telephone: 08 9485 2600
Facsimile: 08 9485 2500
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

Stock Exchange Listing

Shares in Mindax Limited are quoted on the Australian Securities Exchange

ASX codes: MDX (shares)

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CHAIRMAN'S REPORT & REVIEW

Dear Shareholder,

I am happy to report that Mindax has made significant progress in its exploration agenda and is well positioned to take account of any difficult conditions flowing from the Global Financial Crisis.

The Company's management team has in place a diversity of projects, spread across the minerals sector, including iron ore, gold and uranium that tend to offer resistance to the bumps in the economic cycle.

Having said this, we have experienced delays in our iron ore program due to the WA State regulatory regime (Heritage) which has slowed our drilling program. Despite this our resource assessment program continued and the good news is that some approvals for drilling having been gained and it is aimed to put in place further approvals. Mr Bromley will provide you with a detailed progress report on our projects.

The business of Mindax, as an exploration company, is to create projects through discovery or acquisition and utilising our exploration expertise, bring these projects to production. In so doing, we aim to add shareholder value in three ways:

1. Discovery and acquisition of new deposits and projects;
2. Quantification of resources and
3. Development of projects.

In addition to stage one prospects, we have two excellent key projects that have great potential, where we are entering stage two as outlined above:

1. Iron ore at Mt Forrest where we are dealing with the Heritage issues and have approvals to begin drilling. During the year we completed a very detailed mapping and sampling program, which so far has identified 14 drill targets. Our project compares favourably with others elsewhere in the state, and has the potential to benefit from synergies derived from a wave of related activities in the Yilgarn.

2. Uranium, where last year we discovered roll-front style mineralisation and recent drilling has expanded on our initial success in the Yilgarn – Avon JV area, including ore grade intercepts. Our current program is to continue scout drilling the approximately 350 km of palaeochannel we acquired, and to start follow up of those mineralised intercepts already identified. I am hopeful that we will expand on our initial success. As predicted by our exploration model, we have also discovered lignite/coal for the first time at Mukinbudin.

Mr Bromley will talk in detail on these but I would like to emphasise that both projects were acquired inexpensively and our systematic approach to exploration has added significant value.

In addition to these key projects, we have a number of areas with copper and/or gold prospectivity – adding to the healthy diversity in our portfolio of minerals. In particular, I am excited by our copper/gold project at Mortlock in the Yilgarn Avon JV area, where we expect to start drilling shortly.

We are well served by our Managing Director, Greg Bromley, my fellow Directors Andrew Tsang and Nicholas Smith, and our Company Secretary Angelo Francesca. Each has significant expertise in their own areas and as a team more than cover the bases required to manage a sophisticated exploration company. Mindax's employees remain a critical part of our success and I extend our thanks for their efforts on behalf of the Board.

The future success of Mindax is closely aligned with the economic future of countries such as China and India and I would like to acknowledge the strong support from our overseas shareholders over the past 12 months.

With continued shareholder support Mindax is well placed to successfully further its operations and take additional advantage of the forthcoming economic recovery.

Thank You.

Gilbert George
Chairman

EXPLORATION REVIEW

Precis

Listing on the ASX at the end of 2004, Mindax Limited is a committed minerals explorer having built a significant portfolio of iron, uranium, gold and copper projects in Western Australia's Yilgarn Craton.

Focussing on key strategic mineral commodities, Mindax's objective is to move projects to a production base by utilising exploration, based on systematic geological and geochemical analysis and advanced geophysical modelling.

Successful exploration will be the key driver of value for Mindax shareholders and the company believes that continuing success must be underpinned by its ability to raise sufficient funding to support ongoing exploration.

Mindax's main projects are the Mt Forrest iron project near Menzies (north of Kalgoorlie), the Yilgarn-Avon uranium Joint Venture in the palaeochannels of the south west of WA and the Mortlock copper-gold project in the Goomalling-Northam area east of Perth.

Mindax is pleased to announce that exploration has successfully advanced in these three areas over the last twelve months.

Mt Forrest Iron Project

At Mt Forrest, the impasse over the granting of drilling permits that has prevailed since the beginning of 2008 has been relieved. Whilst the regulatory environment in WA remains complicated, the Director's strategy is now bearing fruit and significant exploration advances, including drilling, can now go ahead. Further areas should be available for drilling in the coming year.

Previous to the green light for drilling, the company continued to actively explore the area. Detailed work focused on collecting geological and surface sampling information has greatly improved the company's understanding of the extensive magnetite-hematite mineralisation. The purpose of this has been to allow more confident estimation of the exploration targets identified early in 2008 and to provide much better control of drilling as the permits fell into place. This detailed 1:1000 scale mapping and sampling provides a unique database over the 17 km of outcropping mineralisation. It is now complete and is being analysed in detail.

Again, with a view to benchmarking future activity on the project, conceptual mining studies have been undertaken and place Mindax-owned YilgIron Pty Ltd in a very strong position to fast track the project to production, should a JORC resource be quantified by further exploration. The project has been transferred into a wholly owned subsidiary, YilgIron Pty Ltd in order to enhance flexibility in managing the project as it develops.

The Yilgarn-Avon Uranium Project

The Yilgarn-Avon uranium project is 50:50 Joint Venture (YAJV) between Mindax's wholly owned subsidiary Mindax Energy Pty Ltd and partner Quasar Resources Pty Ltd, an affiliate of Heathgate Resources Pty Ltd.
Scout drilling has continued in the Yilgarn palaeochannel and even in this reconnaissance stage continues to identify elevated uranium levels in the channels in the area. These intercepts are within the range of economic grades used in the industry and the Directors anticipate that significant mineralisation will be identified this year. The exploration program continues to identify significant amounts of lignite coal through the palaeochannel, which are a critical part of our exploration model and may also have some significance in its own right.

The Mortlock Copper-Gold Project

This project, also in the Yilgarn-Avon area, comprises YAJV owned tenure and further tenure where the YAJV is earning an 80 percent interest from Sipa Exploration NL. The project has advanced significantly with the granting of title over the key Southern Brook – Centre Forest mineralisation and the completion of further airborne EM. High quality targets are now identified, associated with the known mineralisation and drilling is planned following harvest in this farming area.

Mindax believes that it has a demonstrable track record for innovative exploration targeting and that these projects clearly evidence this. The Mt Forrest iron project has the potential to be a very significant iron resource in the northern part of the Yilgarn Iron Province and should now rapidly advance to resource status. Continuing intercepts of uranium mineralisation in the Yilgarn palaeochannel reinforce our contention that the area represents an emerging uranium province. The Mortlock project increasingly shows potential to be a major copper-gold mineralised system. Mindax continues to look for similar quality projects to provide future growth for the company.

EXPLORATION REVIEW

The Company

Mindax Limited was listed on the ASX at the end of 2004 and is now in its fifth year of operation.
The Company is a committed minerals explorer with a significant portfolio of iron, uranium, copper and gold projects in Western Australia's Yilgarn Craton.

Mindax remains a carefully focused, innovative explorer in its key commodities, working diligently towards the goal of a resource base for production.

Successful exploration will be the key driver of value for Mindax shareholders. It is Mindax's belief that to ensure success, such efforts need to be underpinned by the commitment to raise sufficient funding to support this exploration. For the time being the Company is well resourced to carry out its projects.

Overview

Mindax's main projects are the Mt Forrest iron project, on Bulga Downs near Sandstone and the uranium project, operated by the Yilgarn-Avon Joint Venture in the south west of WA. Over the last twelve months the prospectivity in these areas has improved significantly, particularly with the improved access and the detailed knowledge of the iron potential at Mt Forrest, the significant intercepts achieved within the Yilgarn-Avon Joint Venture and the geophysical targets at the Mortlock copper-gold project, as a separate activity within the Yilgarn-Avon JV:

- The potential for significant resources of iron at Mt Forrest has been enhanced by detailed mapping and surface sampling. A heritage clearance has finally given some access to the area and drilling can now be very precisely targeted. If the resource targets are met, a substantial commercial operation may be possible.

- Scout drilling by the Yilgarn-Avon JV in the upper reaches of the Yilgarn palaeochannel demonstrate uranium grades consistent with the roll front type mineralisation predicted. This strongly suggests a new uranium province and reinforces the significance of this project.

- The identification of conductivity anomalies within the Mortlock Project at Centre Forest –Southern Brook adjacent to the known copper-gold mineralisation provides a strong focus to the Yilgarn-Avon JV and enhances the project's prospectivity.

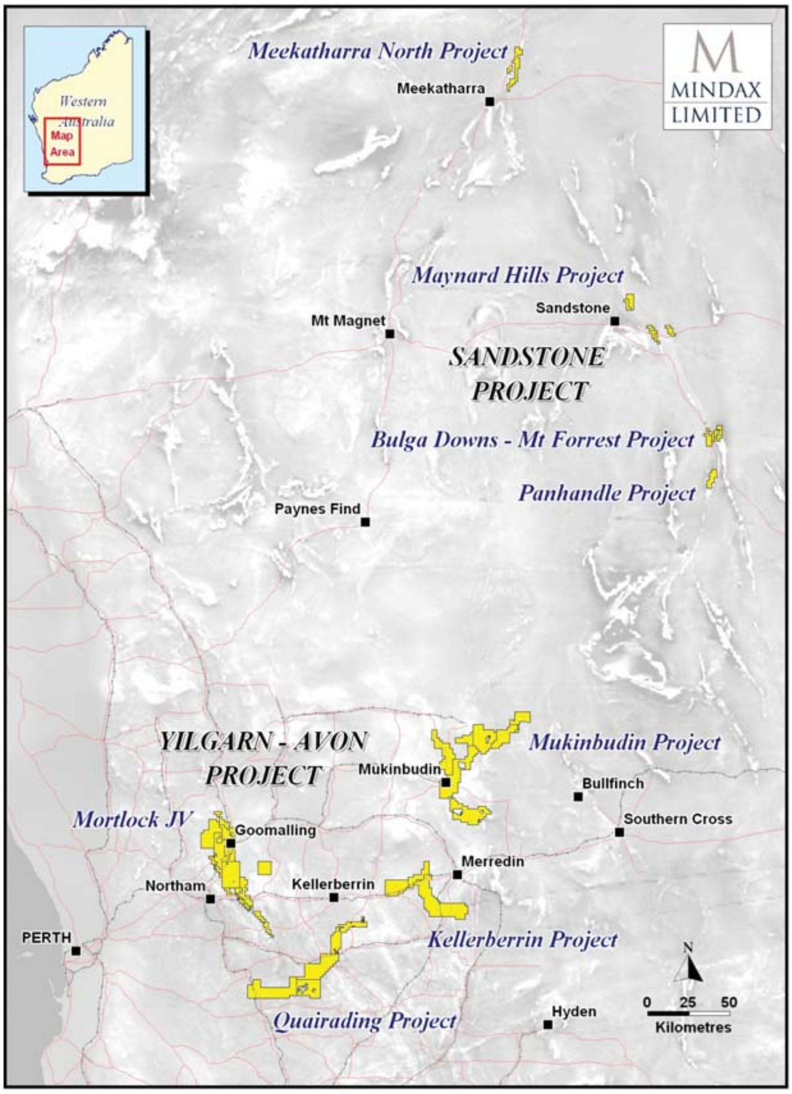

Figure 1 Location of Mindax Projects

Sandstone Iron – Central Yilgarn Iron Province

Mindax has an active program of iron exploration on the Yilgarn Craton. The key project is Mt Forrest which is 100 percent owned by Mindax Limited through its subsidiary YilgIron Pty Ltd. It comprises seven mining leases endorsed for iron ore. Mt Forrest is located 150 km from the railway at Menzies and 500 km from the port at Esperance. Mindax has previously announced a significant direct shipping ore exploration target for the area.

After eighteen months of delay, clearance under the Aboriginal Heritage Act has been obtained for limited drilling and it is anticipated wider exploration will soon be able to commence. During this time the company has invested significantly in consultation with the various groups that claim to represent the area, in archaeological studies and in environmental aspects of the project area.

In the meantime technical work has focused on completing detailed mapping and sampling of the hematite and goethite mineralisation. Targets are well defined and a program of drilling has been devised to generate a maiden resource by end of March 2010.

Engineering concept work has been undertaken to enable benchmarking of the project as it moves forward. It is anticipated that if the exploration is successful, the project will present a significant positive input to the Goldfields economy.

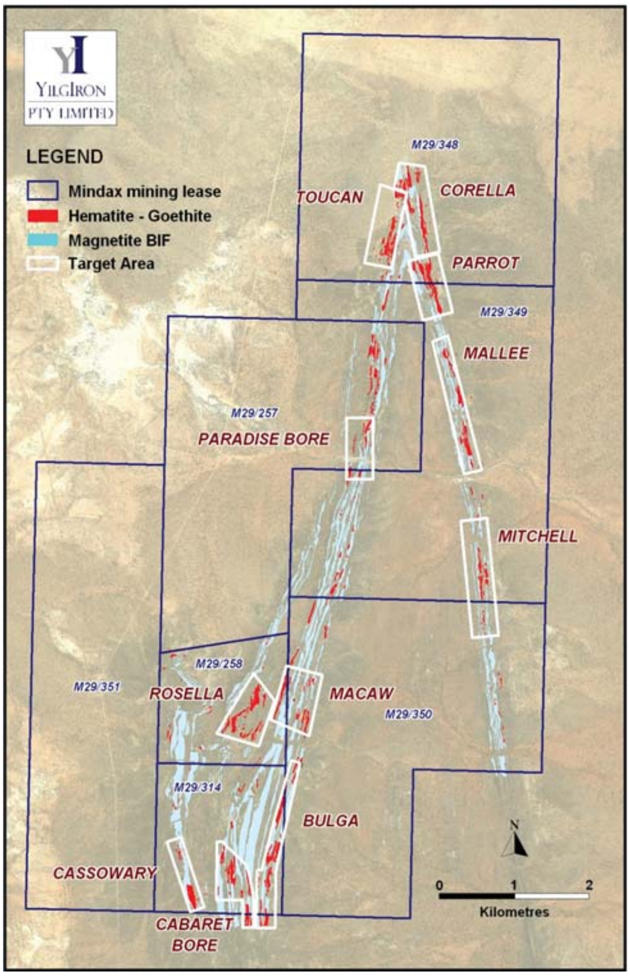

Figure 2 Mt Forrest Target areas

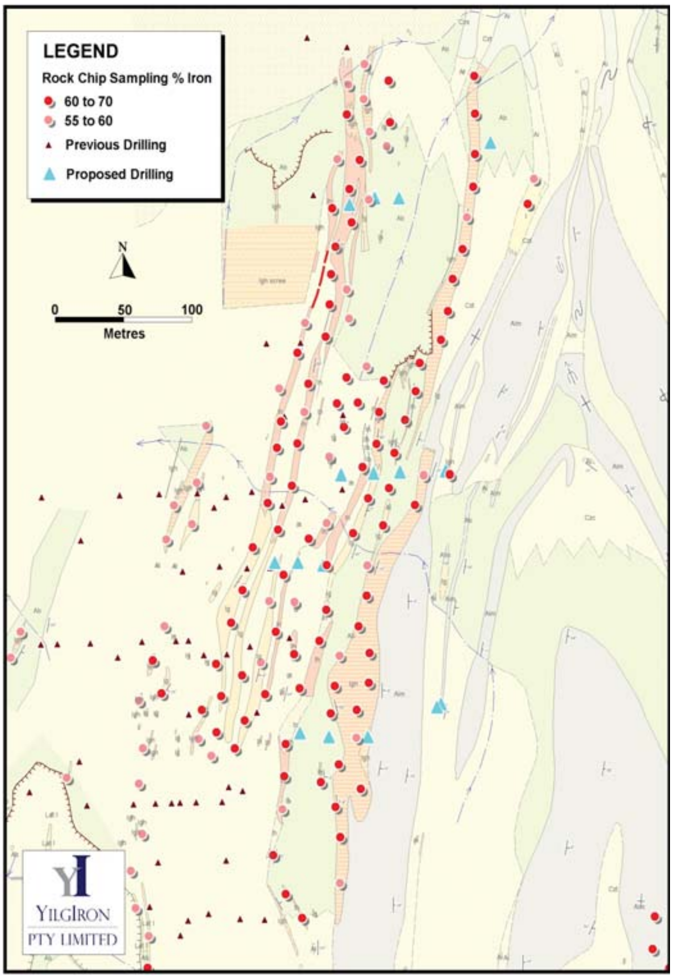

Figure 3 Toucan Prospect area

Palaeochannel Uranium Project - Yilgarn-Avon Joint Venture

The Yilgarn-Avon project is a 50:50 joint venture between Mindax Energy PL (a fully owned subsidiary of Mindax Limited) and partner Quasar Resources PL, an affiliate of Heathgate Resources PL, the owner/operator of the Beverley uranium mine in South Australia. Heathgate are a world leader in the environmentally desirable In Situ Recovery (ISR) uranium extraction technology. Mindax are managers of the YAJV.

The project is based upon very high uranium-in-water values in the headwaters of the ancient Yilgarn river system. The uranium is considered to be derived from extensive weathering of the felsic gneisses and intrusives in the area, some of which are extremely enriched in primary uranium. These waters are moving down the palaeochannel system.

To develop a three dimensional view of the general geological morphology of the Yilgarn palaeochannel and its hydro-geochemical characteristics, particularly with respect to uranium mineralisation, the joint venturers are employing systematic scout drill traversing.

The uraniferous waters are strongly oxidising and contact with lignite coal bearing sediments, for example, should result in uranium precipitation. The locations of the channels are known to a fair degree of accuracy and lignites are proving to be widespread. There are other potential traps such as groundwater mixing zones. The mineralisation is expected to occur at depth beneath younger impermeable clays and the system is highly saline.

Scout drilling in the upper reaches of the channel has continued during the year with the recently completed work strengthening our confidence in the exploration model. Elevated uranium values (now exceeding 0.03% U) have been encountered. The radioactivity in the channel, along with the identification of widespread lignite development, has provided real encouragement. The lignites are one important part of the exploration model, providing one of a number of potential traps for the uranium. They will also be valuable for dating the channels and may also have potential for coal bed methane generation, for example. Drilling to date has identified thicknesses of 5 m but no attempt has yet been made to establish their lateral extent or the quality of the material.

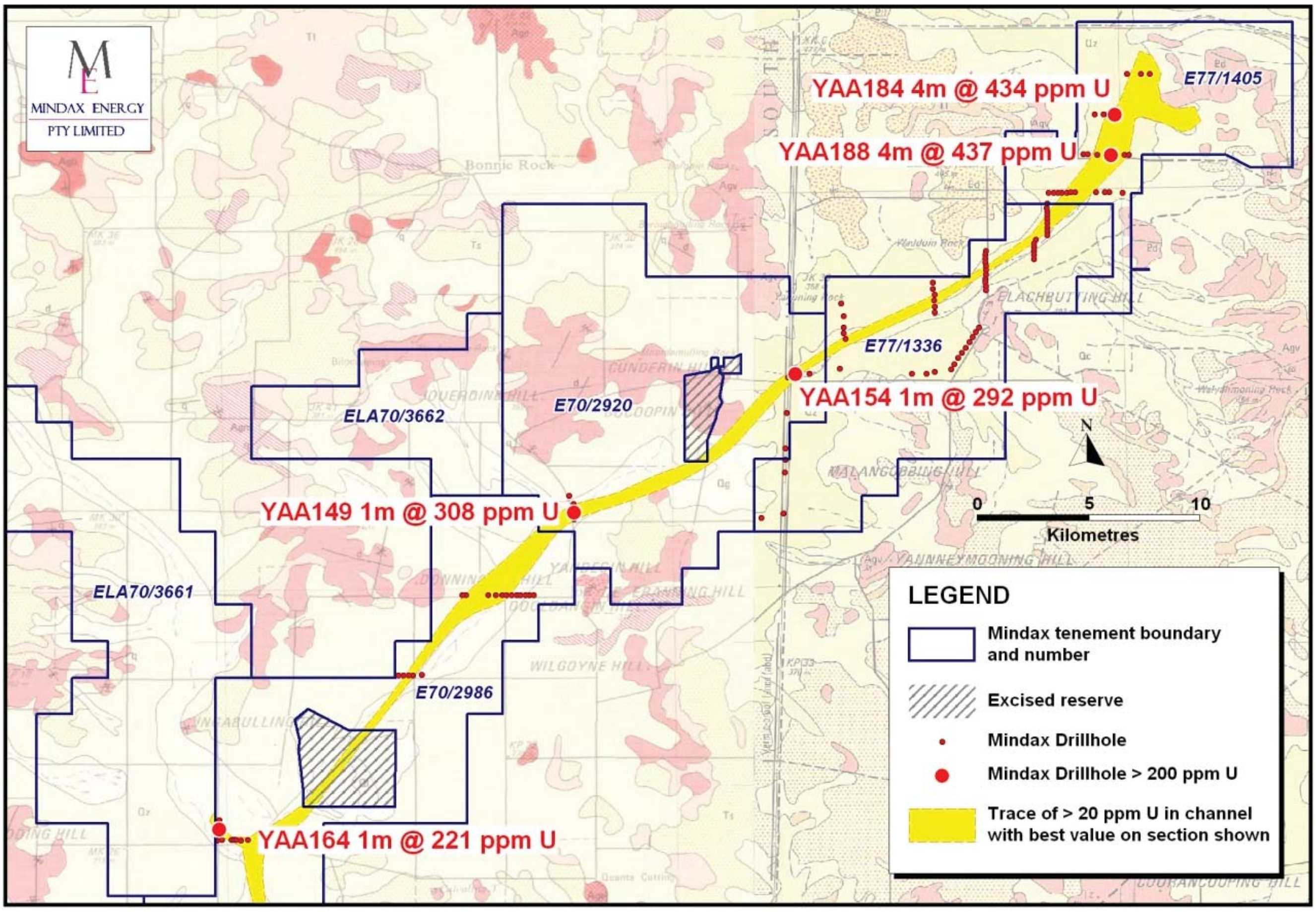

Figure 4 Upper Channels with drill intercepts

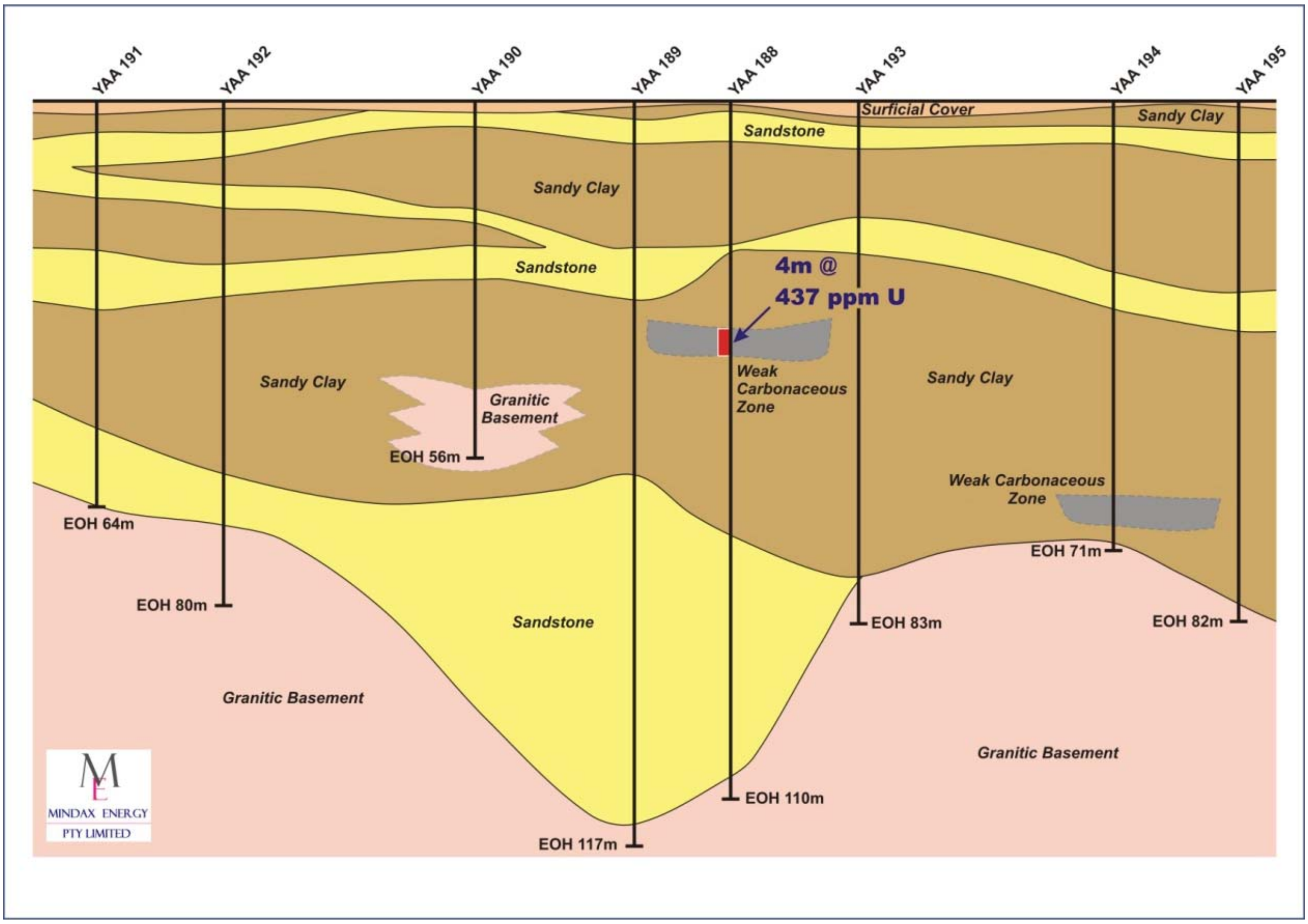

Figure 5 Mukinbudin Drill Section

Mortlock Copper Gold Project - Yilgarn-Avon JV

The Mortlock Project includes the Ularring Project where the YAJV is earning an 80% interest from Sipa Exploration NL and the Centre Forest-Southern Brook (CFSB) block which is 100% YAJV. These tenements cover copper-gold mineralisation previously identified by Sipa. Airborne EM survey and regional analysis of geological, geochemical and geophysical data has resolved two extensive mineralised horizons.

The CFSB mineralisation is characterised by strong copper geochemistry over wide low-grade gold and copper mineralisation (25 m at 0.47 g/t Au, 0.18% Cu). Extended AEM survey has defined a series of new conductivity anomalies over 7 km of strike and is targeted for drilling after the 2009 harvest.

The parallel Jennacubbine horizon to the west comprises conductivity and geochemical anomalism. Surface geochemistry has further defined target areas for drill follow up in the coming year.

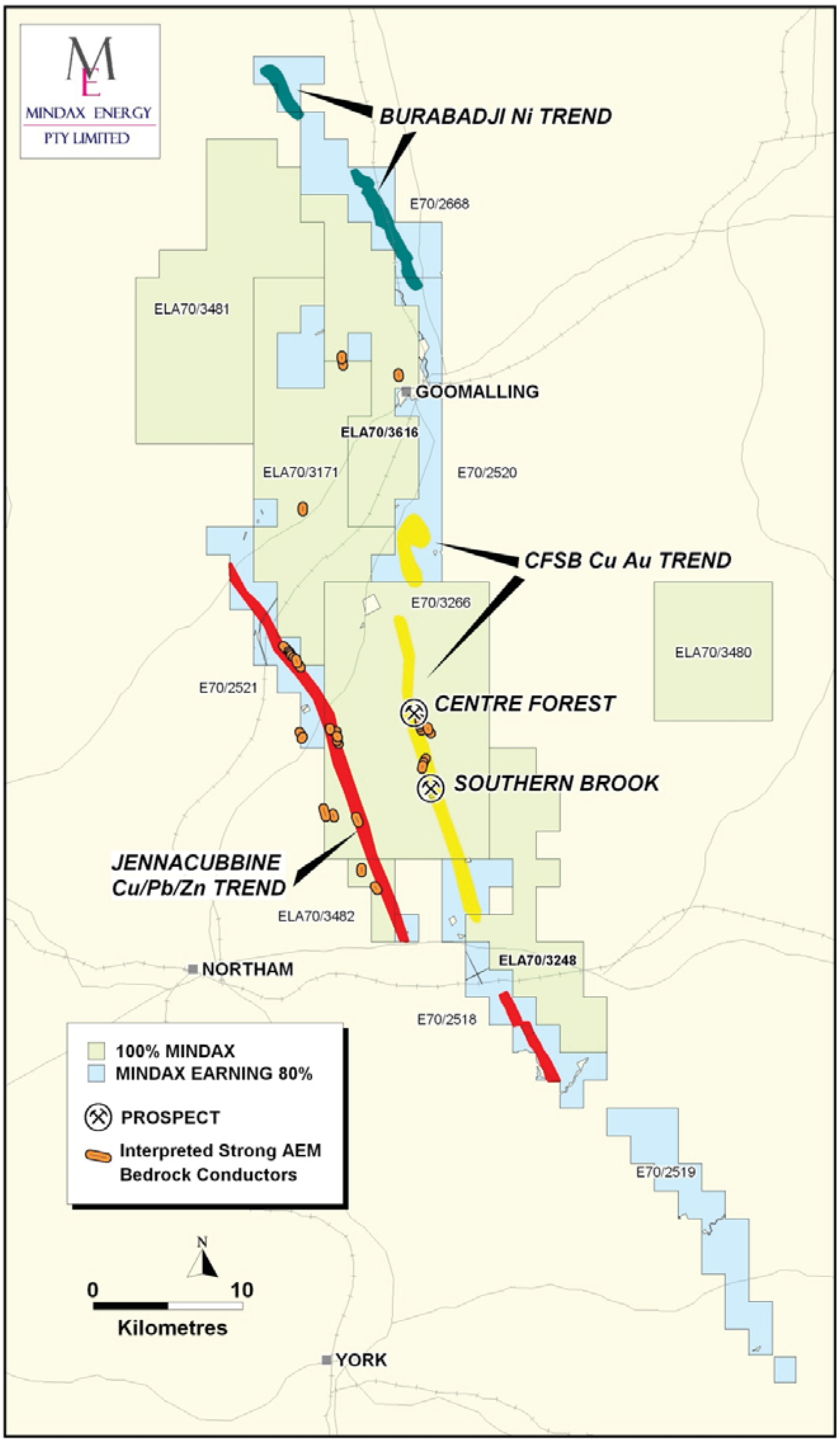

Figure 6 Yilgarn-Avon and Mortlock Projects

Other Projects - Sandstone, Meekatharra, Panhandle

The strength of the iron, copper-gold and uranium projects dominates Mindax's exploration effort. The company does however maintain a program for gold and other commodities.

The principal gold prospect is at Paradise Bore, within the Mt Forrest Project, where there is a modest gold resource of 35,000 oz and potential for further mineralisation. This area is coincident with the Mt Forrest iron prospect and is also subject to permitting issues. Exploration will proceed off the back of the iron program.

The Toccata gold prospect near Sandstone has tested positively in first pass RAB drilling. This is a regolith anomaly in an area that has seen no previous exploration. The geochemical response, including a magnetic association, has similarities to the expression of Troy Resources' Lords gold ore bodies to the south west. Further drilling will be undertaken pending grant of title.

The Meekatharra North gold project lies immediately along strike from the famous Paddy's Flat field where 2.5 M oz of gold has been produced from substantial high grade lodes. The structures that control the Paddy's Flat mines can be traced throughout the Meekatharra North project area under shallow, but extensive cover. Systematic testing of structural positions has continued. Intersections of minor mineralisation and associated Paddy's Flat style alteration provide encouragement for further exploration.

Iron exploration endorsement at the Panhandle Project was finally granted. Preliminary rockchip sampling looks encouraging and a more detailed program of mapping and sampling hematite-goethite mineralisation is in progress. Results to date are comparable with the Mt Forrest iron mineralisation, 30 km to the north-east.

Figure 7 YAJV Drilling

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Gregory John Bromley, who is a member of the Australasian Institute of Mining and Metallurgy, with more than five years experience in the field of activity being reported on.

Mr Bromley is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bromley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 Principles and Recommendations, whilst wholeheartedly supported, is not practical in every instance given the modest size and simplicity of the business. The principles and recommendations and details of the current and evoloving governance practices are identified in the following pages.

Principle 1: Lay solid foundations for management and oversight

The Board has the responsibility of protecting the rights and interests 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;
- reviewing the performance against stated objectives by receiving regular management reports on the business situation, opportunities and risks;
- reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors; and
- overseeing the operation of the Company's system for compliance and risk management reporting to shareholders.

Principle 2: Structure the Board to add value

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 or Mr George by virtue of financial remuneration received on a consulting basis during the year or post financial year end. Mr Tsang is a substantial shareholder of the company and is therefore not considered independent. The Board has considered its materiality threshold and deemed it too small to have a majority of independent directors on the Board.

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

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

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

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

Having regard to the structure of the Board and of senior management, it is considered appropriate by the Board to effectively utilise Mr Smith, Mr Tsang and Mr 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's Corporate Governance Principles and Recommendations, it is considered Mr George's appointment is in the best interests of the Company and is without conflict given its size.

The Board formed an Audit committee (commenced December 2004) 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.

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

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 and the Company's size, such formal process was not finalised, and as such, a performance evaluation had not taken place during the financial year ended 30 June 2009.

Principle 3: Promote ethical and responsible decision making

The Company actively promotes ethical and responsible decision-making. As at 30 June 2009, the Company had not established a formal code of conduct that address practices necessary to maintain confidence in the Company's integrity, or a code that takes into account the Board's legal obligations and the reasonable expectations of its stakeholders. However the Company is now in the process of developing such code. In addition, it is a condition of each employee's employment contract that they uphold minimum standards of generally accepted ethical conduct.

Dealing 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.

Mindax has a policy agreed to by the Board members, other company officers and employees that any proposed trade in the Company's securities is to be firstly advised to the Managing Director (MD). Once the MD has given approval, the relevant person may execute the trade. Such policy clearly mitigates the risk of breaching the insider trading provisions and gives the MD control to restrict trading if the MD may be privy to sensitive information before the other company officers and personnel are, or the MD has knowledge that certain sensitive information (eg exploration results) are due for receipt within a short term timeframe.

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 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.

Principle 4: 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 2009.

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.

Audit processes and policies

The audit committee consists of the following non-executive directors:

Mr George;
Mr Smith.

Details of the directors' attendance at audit committee meetings are set out in the directors' report. The Board is also 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;
- considering whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence; and
- review and monitor related party transactions and assess their propriety.

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

The external auditor, BDO 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.

Principle 5 & 6: Make timely and balanced disclosures and respect the rights of shareholders

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

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

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

- 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 disclosure

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

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.

Principle 7: Recognise and manage risk

The Company has identified material business risks associated with its day-to-day operations and the possible impacts on the Company as a consequence. This is recorded in the Company's internal register and is continuously being developed and updated. The Company aims to review its' risk management policies on a quarterly basis to mitigate material risks identified from eventuating and to ensure a sound internal control system is in place.

The Managing Director is required to report to the Board if any material business risks that significantly impact on the business have arisen since the last Board meeting and if an effective internal control policy is in place and has been followed (as applicable). The Board declares that it has received assurance from the Managing Director that a sound and effective risk management and internal control had been adhered to during the financial year ended 30 June 2009.

As part of the Company's internal risk management policies, the Managing Director and company secretary have recently completed a formal review identifying risk areas and internal controls required to mitigate such risk. The report relating thereto has been circulated to the Board concluding that an effective internal control system is in place. Such review will occur on an ongoing basis.

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

Considerable importance is placed on maintaining a strong control environment. There is an organization structure with clearly drawn lines of accountability and delegation of authority. The Board actively promotes a culture of quality and integrity.

Principle 8: Remunerate fairly and responsibly

The remuneration committee consists of the following non-executive directors:

Mr George;
Mr Smith; and
Mr Tsang.

Details of these directors' attendance at remuneration committee meetings are set out in the directors' report.
The Remuneration committee advises the Board on remuneration and incentive policies and practices generally and makes specific recommendations in relation to compensation arrangements for executive and non-executive directors and in respect of all equity based remuneration plans.

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. The Company has not distinguished the structure of non-executive directors' remuneration from that of executive director due to its size.

The committee also assumes responsibility for overseeing management succession planning, including the implementation of appropriate executive development programmes and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior promotions.

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.

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Mindax Limited ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2009.

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

Directors

The following persons were directors of Mindax Limited during the whole of the financial year and up to the date of this report:

Name	Particulars
Mr G.C. George	Gilbert, aged 59 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 $950 million of new investment in Australia, in the resource, IT, food processing and service sectors. Resource experience includes gold, manganese, oil and heavy mineral sands. He holds directorships in the following unlisted companies: Bedley Holdings Pty Ltd, Ocean Power Technologies (Australasia) Pty Ltd and Governor Holdings Pty Ltd. Gilbert has also been a member of a number of charities and state government and international advisory committees, including Anglicare and the Asian Round Table. *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. He is Chairman of the Board of Directors of Mindax Limited. *Interest in shares and options* 2,836,625 ordinary shares in Mindax Limited.
Mr N.J. Smith	Nicholas, aged 57, is a solicitor by training, who has spent most of his working life in the corporate/commercial arena. He has extensive business experience both within Australia and off shore. Between 1987 and 1999 he was Group General Counsel for the Normandy Mining Group where he was responsible for the Group's legal function including the legal aspects of the Group's M&A and project acquisition program both on and off shore. Since 1999 he has been the principal of Portcullis Corporate Advisory Pty Ltd a provider of corporate and strategic advice. *Former directorships in last 3 years* Red 5 Limited : 2002 to 2007 *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* 3,103,100 ordinary shares in Mindax Limited.

Mr G.J. Bromley

Greg, aged 59 years, a geologist, has nearly forty years of experience in the mining and exploration industry as an exploration geologist, a consultant and company executive. His business experience is both local and international.

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

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

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.

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

5,555,001 ordinary shares in Mindax Limited.

Mr A Tsang

Andrew, aged 53 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.

Andrew is also a director of the listed company Diatreme Resources Limited.

Former directorships in last 3 years

None.

Special responsibilities

Andrew joined the board in 2008 in a non-executive capacity and is a member of the Remuneration Committee of Mindax Limited.

Interest in shares and options

32,090,112 ordinary shares in Mindax Limited.

Company Secretary

Mr A Francesca

Certified Practising Accountant, aged 38, with sixteen 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 $2,256,691 for the financial year (2008: $554,987).

Financial Position

The consolidated entity's working capital for 2009, being current assets less current liabilities, is $7,665,821. 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

During July 2008, 30,538,713 ordinary fully paid shares were issued as a result of the exercise of listed options that expired on 30 June 2008. **The final take up in respect of the listed options that expired on 30 June 2008 was approximately 97%**. In addition 1,335,788 ordinary fully paid shares and 6,435,969 ordinary fully paid shares were issued at 20 cents per share 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).

Further, 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. In addition 660,000 unlisted employee options with an exercise price of 60 cents, vesting date of 1 April 2009 and expiry date of 30 June 2011 were issued on 23 December 2008 pursuant to resolution 6 approved at the Company's Annual General Meeting held on 27 November 2008. On 6 April 2009, these 660,000 unlisted employee options lapsed as a result of certain vesting conditions not having been met by the vesting date of 1 April 2009. All employee options were issued for nil consideration.

On 21 December 2008, 600,000 unlisted employee options with an exercise price of 25 cents expired.

During the financial year the Company also established a wholly owned subsidiary named Yilgiron Pty Ltd ("Yilgiron"). Yilgiron was established to facilitate the transfer of the Mt Forrest Iron Project tenements (which occurred during October 2008). The Board resolved that it would be commercially prudent to establish a wholly owned subsidiary dedicated to the Mt Forrest Iron Project, with such project considered highly prospective.

Exploration

The consolidated entity continued its exploration efforts on its tenement prospects during the financial year ended 30 June 2009. Some highlights include:

Bulga Downs

- Detailed mapping and sampling of the extensive Mt Forrest iron formations continued with identification of further zones of hematite-goethite mineralisation. The field observations are well supported by surface rock chip sampling and further drill targets have been defined. The mapping is substantially confirmed by the rock chip sampling results in excess of 57.5% Fe and indicates an average grade of 61.8% Fe for the outcropping mineralisation.

- The mapping at Mt Forrest has extended mineralisation beyond the embargoed heritage site covering the western limb of the Mt Forrest syncline. Drilling proposals will be prepared for the accessible areas.

- Regional sampling for iron indicates further prospectivity at Tiger and Ocelot prospects to the west and north of Mr Forrest. Ocelot extends over 1100m at a grade of +50% Fe while Tiger is a composite anomaly aggregating 1250m at +50% Fe.

- Re-evaluation of historical drilling at the Toucan prospect indicates the persistence of mineralisation and grade at depth, providing further confidence when drilling is cleared to proceed.

- New gold geochemistry has been identified on the East Limb at Mt Forrest, an area previously considered unprospective for gold.

- In a major advance at the Mt Forrest Iron Project, section 18 permission was granted by the Department of Indigenous Affairs to undertake drilling over the Toucan and Macaw projects areas. This clears the impasse that has prevailed for the last eighteen months.

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

- Auger geochemisty was completed over the Jennacubbine and CFSB Trend and is being integrated into the regional interpretation. This new data indicates the main EM anomaly at Centre Forest to be supported with elevated copper values and to have an axis displaced to the east of the previously drilled mineralisation. This area has been identified for follow up drilling as soon as is practical.

Yilgarn Avon Joint Venture – Palaeochannel Project (Uranium)

- Latest Scout Drilling Program in the Mukinbudin area shows values in excess of 0.02% Uranium.

- The current program has continued to demonstrate very elevated uranium values along the drainage of depths of between 50 and 90 metres. The best intercept is 1m @216 ppm U (0.02%) in hole YA169 , 1m @ 211 ppm U in the hole YAA154 and 90.8 ppm U over 7m in hole YAA164. These results are in accordance with the Company's exploration model for roll front sedimentary uranium and continue to underline the high prospectivity of the area.

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

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.

The Group has not yet fully reviewed the reporting requirements under the Energy Efficient Opportunities Act 2006 or the National Greenhouse and Energy Reporting Act 2007, but believes given its size has adequate systems in place to ensure compliance with these Acts.

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, eight (8) board meetings, two (2) 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	8	8	2	2	2	2
N.J. Smith	8	8	2	2	2	2
G.J. Bromley	8	8	N/A	N/A	N/A	N/A
A. Tsang	8	7	2		N/A	N/A

Retirement, election and continuation in office of directors

There were no new appointments or retirements of directors during the year ended 30 June 2009.

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
E Additional Information

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)

The above persons are among the five highest remunerated group and/or Company executives:

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 September 2008. 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 $300,000 pa and was approved by shareholders at the 2008 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 2005	30 June 2006	30 June 2007	30 June 2008	30 June 2009
Revenue from continuing operations	91,239	116,046	100,451	212,794	649,962
Net profit/(loss)	(251,752)	(439,460)	(1,128,816)	(554,987)	(2,256,691)
Share price	$0.098	$0.150	$0.125	$0.340	$0.490

Long term incentives are provided through the Mindax Share Option Plan.

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 who has authority and responsibility in the Company:

Angelo Francesca – Company Secretary.

2009	Short-term employee benefits				Post-employment benefits		Other long-term employee benefits (v)	Termination benefits	Share-based payment				Total
									Equity-settled				
	Salary & directors fees $	Consulting fees $	Non-monetary $	Other $	Superannuation $	Other $	$	$	Shares & units $	Options & rights** $	Cash settled $	Other $	$
Directors													
G.C. George	55,000	-	-	-	4,950	-	-	-	-	-	-	-	59,950
N.J. Smith	50,000	-	-	-	4,500	-	-	-	-	-	-	-	54,500
G.J. Bromley	238,532	-	-	-	21,468	-	-	-	-	(21,500)	-	-	238,500
A. Tsang	50,000	-	-	-	4,500	-	-	-	-	-	-	-	54,500
Sub-total	393,532	-	-	-	35,418	-	-	-	-	(21,500)	-	-	407,450
Other Corporate Executives													
A. Francesca	-	63,600	-	-	-	-	-	-	-	-	-	-	63,600
Total	393,532	63,600	-	-	35,418	-	-	-	-	(21,500)	-	-	471,050

2008	Short-term employee benefits				Post-employment benefits		Other long-term employee benefits (v)	Termination benefits	Share-based payment				Total
									Equity-settled				
	Salary & directors fees $	Consulting fees $	Non-monetary $	Other $	Superannuation $	Other $	$	$	Shares & units $	Options & rights $	Cash settled $	Other $	$
Directors													
G.C. George	32,500	-	-	-	2,925	-	-	-	-	-	-	-	35,425
N.J. Smith	27,500	-	-	-	2,475	-	-	-	-	-	-	-	29,975
G.J. Bromley	166,400	-	-	-	39,976	-	-	-	-	-	-	-	206,376
A. Tsang	7,893	-	-	-	705	-	-	-	-	-	-	-	8,598
Sub-total	234,293	-	-	-	46,081	-	-	-	-	-	-	-	280,374
Other Corporate Executives													
A. Francesca	-	55,200	-	-	-	-	-	-	-	-	-	-	55,200
Total	234,293	55,200	-	-	46,081	-	-	-	-	-	-	-	335,574

**Remuneration in the form of options includes negative amounts for options forfeited during the year. 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 23 October 2008, the Company renewed Gregory John Bromley's appointment as its Managing Director effective for a two year period commencing on 31 December 2008. The remuneration committee reviewed Mr Bromley's salary package on 12 August 2009 and it was resolved that Mr Bromley is to be paid $285,000 in annual salary inclusive of superannuation and will be reimbursed for all reasonable expenses incurred in carrying out the services of a managing director (as further specified in the agreement). Mr Bromley is also provided a 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 service contract until 31 December 2011 was also granted. Future bonuses are to be considered subject to meeting performance hurdles (at this stage no formal performance criteria have been set by the remuneration committee).

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

Mr Bromley may also terminate the agreement with 6 months notice or without notice in certain circumstances including the Company entering into liquidation, the Company breaching the Agreement or where Mr Bromley is demoted. 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 12 August 2009 it was formally resolved to extend the engagement to 30 June 2010.

The consultant is to be paid $5,800 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	% Vested
23-Dec-08	1-Apr-09	30-Jun-11	0.60	$0.0039	-

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

During the year 660,000 unlisted employee options (2008: Nil) with an exercise price of 60 cents, vesting date of 1 April 2009 and expiry date of 30 June 2011 were issued to Gregory Bromley on December 2008 pursuant to resolution 6 approved at the Company's Annual General Meeting held on 27 November 2008.

On 6 April 2009, these 660,000 unlisted employee options lapsed as a result of certain vesting conditions not having been met by the vesting date of 1 April 2009.

The model inputs for options granted during the year ended 30 June 2009 include:

Exercise price	$0.60
Grant date	23 December 2008
Expiry date	30 June 2011
Share price at grant date	$0.25
Expected price volatility of the Company's shares	105%
Expected dividend yield	0%
Risk-free interest rate	3.83%

No shares have been issued or options granted to Directors, other than Mr G Bromley as outlined above, as a result of the exercise of any Plan options in the current financial year (2008: Nil).

E Additional Information

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

Name	Year Granted	Vested %	Forfeited %	Financial years in which options may vest	Minimum total value of grant yet to vest	Maximum total value of grant yet to vest
G J Bromley	2009	-	100	N/A (forfeited)	Nil	Nil

Share-based compensation: Options
Further details relating to options are set out below.

Name	A Remuneration consisting of options	B Value at grant date	C Value at exercise date	D Value at lapse date	E Total of Column B-D
G J Bromley	31.72%	$120,780	N/A	Nil	$120,780

This is the end of the audited remuneration report.

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
10 Jan 2008	10 Jan 2011	25 cents	100,000	$0.029
04 Aug 2008	01 Aug 2012	53 cents	250,000	$0.033
Total			**350,000**	

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.

Share Options Issued

On 4 August 2008, 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 under the Company's Employee and Consultant Option Scheme ("EOS") for nil consideration to arms length employees.

A further 660,000 unlisted employee options with an exercise price of 60 cents, vesting date of 1 April 2009 and expiry date of 30 June 2011 were issued on 23 December 2008 pursuant to resolution 6 approved at the Company's Annual General Meeting held on 27 November 2008. These options were subsequently cancelled on 6 April 2009.

Share Options Exercised

During the financial year, 30,538,713 ordinary fully paid shares were issued as a result of the exercise of listed options that expired 30 June 2008. The final take up in respect of the listed options that expired on 30 June 2008 was approximately 97%. In addition 1,335,788 ordinary fully paid shares and 6,435,969 ordinary fully paid shares were issued at 20 cents per share 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).

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 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 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

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:

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 26.

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

On behalf of the Directors

Gregory John Bromley
Director
Perth, 22nd September 2009

AUDITOR'S INDEPENDENCE DECLARATION

BDO Kendalls

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128 Hay St
Subiaco WA 6008
PO Box 700 West Perth WA 6872
Phone 61 8 9380 8400
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www.bdo.com.au

ABN 79 112 284 787

22 September 2009

The Directors
Mindax Limited
Level 2, 25 Richardson Street
West Perth, WA 6005

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 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

Peter Toll
Director

BDO Kendalls

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

DIRECTORS' DECLARATION

The directors declare that:

1. The financial statements, comprising the Income Statement, Balance Sheet, Cashflow Statement, Statement of Recognised Income and Expense and accompanying notes, are in accordance with the Corporations Act 2001 and:
    a) comply with Accounting Standards, the Corporations Regulations 2001; and
    b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the Company and consolidated entity.
2. 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;
3. the remuneration disclosures set out on the directors' report (as part of the Remuneration Report) for the year ended 30 June 2009, comply with section 300A of the Corporations Act 2001; and
4. 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, 22nd September 2009

BDO Kendalls

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ABN 79 112 284 787

<u>INDEPENDENT AUDITOR'S REPORT</u>

TO THE MEMBERS OF MINDAX LIMITED

We have audited the accompanying financial report of Mindax Limited, which comprises the balance sheet as at 30 June 2009, 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 disclosing entity 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 disclosing entity 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 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*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion the financial report of Mindax Limited is in accordance with the *Corporations Act 2001*, including:

(a) (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 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.*

(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 2009. 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 2009, complies with section 300A of the *Corporations Act 2001.*

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

Peter Toll
Director

Signed in Perth, Western Australia
Dated this 22nd day of September 2009

MINDAX LIMITED

ABN 28 106 866 442

FINANCIAL STATEMENTS

Notes to the financial statements for the financial year ended 30 June 2009

FINANCIAL STATEMENTS

Income statements for the financial year ended 30 June 2009

		Consolidated		Company	
		2009	2008	2009	2008
	Note	$	$	$	$
Revenue from continuing operations	3	649,962	212,794	736,910	177,000
Employee benefits expense	4	(259,889)	(128,937)	(259,889)	(128,937)
Share-based payment – employee options		(8,351)	(8,700)	(8,351)	(8,700)
Directors fees		(155,000)	(67,830)	(155,000)	(67,830)
Depreciation and amortisation expense	4	(56,907)	(33,213)	(56,907)	(33,213)
Finance costs	4	(2,562)	(11,935)	(2,562)	(11,935)
Write-off of exploration expenditure	12	(1,684,502)	(66,608)	(1,293,225)	(9,998)
Corporate management fees		(224,287)	(170,631)	(224,287)	(170,631)
Marketing & business development expense		(53,403)	(24,882)	(53,403)	(24,882)
Occupancy expenses		(176,644)	(40,109)	(176,644)	(40,109)
Administration expenses		(285,108)	(214,936)	(251,134)	(214,443)
(Loss) from ordinary activities before related income tax		(2,256,691)	(554,987)	(1,744,492)	(533,678)
Income tax benefit relating to ordinary activities	5	-	-	-	-
(Loss) for the period		(2,256,691)	(554,987)	(1,744,492)	(533,678)
(Loss) attributable to equity holders of Mindax Ltd		(2,256,691)	(554,987)	(1,744,492)	(533,678)

(Loss) per share:			
Basic (cents per share)	20	(1.7548)	(0.7620)
Diluted (cents per share)	20	(1.7548)	(0.7620)

The above Income Statements should be read in conjunction with the accompanying notes.

Balance sheets as at 30 June 2009

		Consolidated		Company	
		2009	2008	2009	2008
	Note	$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	27(a)	7,831,681	9,241,057	7,806,206	9,236,127
Trade and other receivables	9	314,245	69,171	279,584	65,834
Total current assets		8,145,926	9,310,228	8,085,790	9,301,961
Non-current assets					
Receivables	9	-	-	3,875,823	918,109
Other financial assets	10	-	-	110	10
Property, plant and equipment	11	208,988	133,014	208,988	133,014
Exploration & evaluation expenditure	12	5,421,693	4,689,593	2,147,020	3,802,617
Other	13	2,065	4,345	1,785	3,785
Total non-current assets		5,632,746	4,826,952	6,233,726	4,857,535
Total assets		13,778,672	14,137,180	14,319,516	14,159,496
LIABILITIES					
Current liabilities					
Trade and other payables	14	396,951	308,283	403,280	308,283
Borrowings	15	5,532	69,065	5,532	69,065
Provisions	16	77,622	31,754	77,622	31,754
Other	17	-	5,816,284	-	5,816,284
Total current liabilities		480,105	6,225,386	486,434	6,225,386
Total liabilities		480,105	6,225,386	486,434	6,225,386
Net assets		13,298,567	7,911,794	13,833,082	7,934,110
EQUITY					
Contributed equity	18	17,905,692	10,270,579	17,905,692	10,270,579
Reserves	19	11,251	28,700	11,251	28,700
Retained earnings	19	(4,618,376)	(2,387,485)	(4,083,861)	(2,365,169)
Total equity		13,298,567	7,911,794	13,833,082	7,934,110

The above Balance Sheets should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Statements of recognised income and expense for the financial year ended 30 June 2009

		Consolidated		Company	
		2009	**2008**	**2009**	**2008**
	Note	**$**	**$**	**$**	**$**
Net income recognised directly in equity		-	-	-	-
Loss for the year		(2,256,691)	(554,987)	(1,744,492)	(533,678)
Total recognised income and expense for the year		(2,256,691)	(554,987)	(1,744,492)	(533,678)
Total Recognised Income and Expense for the year is attributable to Equity Holders of Mindax Limited		(2,256,691)	(554,987)	(1,744,492)	(533,678)

The above Statements of Recognised Income and Expense should be read in conjunction with the accompanying notes.

Cash flow statements for the financial year ended 30 June 2009

		Consolidated		Company	
	Note	2009 $	2008 $	2009 $	2008 $
Cash flows from operating activities					
Interest received		459,747	124,575	459,747	124,231
Payments to suppliers and employees		(1,004,872)	(489,869)	(825,790)	(526,621)
Interest and other costs of finance paid		(2,512)	(11,935)	(2,512)	(11,935)
Net cash (outflow) from operating activities	27(b)	(547,637)	(377,229)	(368,555)	(414,325)
Cash flows from investing activities					
Payment for investment securities		-	-	(100)	-
Amounts advanced to subsidiary		-	-	(1,702,479)	(498,787)
Payment for property, plant and equipment		(132,881)	(10,805)	(132,881)	(10,805)
Payment for exploration expenditure		(3,048,610)	(1,070,154)	(981,203)	(534,271)
Recovery of exploration expenditure – JV Partner		564,456	-	-	-
Net cash (outflow) from investing activities		(2,617,035)	(1,080,959)	(2,816,663)	(1,043,863)
Cash flows from financing activities					
Proceeds from issues of equity securities		1,845,810	4,205,225	1,845,810	4,205,225
Proceeds from applications for shares		-	5,816,284	-	5,816,284
Payment for share issue costs		(26,981)	(279,417)	(26,981)	(279,417)
Repayment of borrowings		(63,533)	(33,679)	(63,533)	(33,679)
Net cash inflow from financing activities		1,755,296	9,708,413	1,755,296	9,708,413
Net increase/(decrease) in cash and cash equivalents		(1,409,376)	8,250,225	(1,429,922)	8,250,225
Cash and cash equivalents at the beginning of the financial year		9,241,057	990,832	9,236,127	985,902
Cash and cash equivalents at the end of the financial year	27(a)	7,831,681	9,241,057	7,806,205	9,236,127

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

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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 22nd September 2009.

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*.

Compliance with IFRS

The financial report of Mindax Ltd also complies with International Financial Reporting Standards (IFRS) as issued by the international Accounting Standards Board (IASB).

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

(a) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mindax Limited ("company") as at 30 June 2009 and the results of all subsidiaries for the year then ended. Mindax Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose 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. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The Group applies a policy of treating transactions with minority interest as transactions with parties external to the Group. Disposals to minority interest result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interest result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

(b) 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 significant accounting policies (cont'd)

(c) Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Mindax Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(d) Revenue recognition

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.

(e) Government grants

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

(f) 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.

1. Summary of significant accounting policies (cont'd)

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.

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.

(g) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight -line basis over the period of the lease.

(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.

1. Summary of significant accounting policies (cont'd)

(i) 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.

(j) Trade receivables

Trade receivables are recognised initially at fair value. Trade receivables are generally due for settlement within 30 days.

(k) 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.

Loans and receivables

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

(l) 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

(m) 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.

1. Summary of significant accounting policies (cont'd)

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.

(n) 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.

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.

(o) 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.

(p) 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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.

(q) 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.

1. Summary of significant accounting policies (cont'd)

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.

(r) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(s) 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.

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.

1. Summary of significant accounting policies (cont'd)

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.

(t) 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.

(u) Earnings per share

(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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to equity holders 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, adjustment for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 20)

(v) Goods and services tax (GST)

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

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

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

(w) Segment reporting

A business segment is identified for a company 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 other economic environments..

1. Summary of significant accounting policies (cont'd)

(x) 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 2009, the carrying value of capitalised exploration expenditure is $5,421,693.

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 ann ual 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.

1. Summary of accounting policies (cont'd)

(y) New accounting standards and interpretations

Certain new accounting standards have been published that are not mandatory for 30 June 200 9 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 *	Application Date for Group
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	1 July 2009
Revised AASB 123 : Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123	No impact on financial statements as no borrowing costs incurred by the Group to date	1 January 2009	1 July 2009
Revised AASB 101: Presentation of Financial Statements, AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further amendments to Australian Accounting Standards arising from AASB 101	The September 2007 revised AASB 101 requires the presentation of 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. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial positions), this one being as at the beginning of the comparative period.	1 January 2009	1 July 2009
AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2}	AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. It is not expected to affect the accounting for the Group's share-based payments.	1 January 2009	1 July 2009
Revised AASB 3 : Business Combinations; AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	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	1 July 2009
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	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 January 2009	1 July 2009
AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	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 January 2009	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: market risk (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, 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	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents	7,831,681	9,241,057	7,806,206	9,236,127
Trade and other receivables	314,245	69,171	279,584	65,834
	8,145,926	9,310,228	8,085,790	9,301,961
Financial liabilities				
Trade and other payables	396,951	308,283	403,280	308,283
Borrowings	5,532	69,065	5,532	69,065
	402,483	377,348	408,812	377,348

The Group's principal financial instruments comprise cash and short-term deposits.

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 its 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

The Company has identified material business risks associated with its day-to day operations and the possible impacts on the Company as a consequence. This is recorded in the Company's internal register and is continuously being developed and updated. The Company aims to review its risk management policies on a quarterly basis to mitigate material risks identified from eventuating and to ensure a sound internal control system is in place.

2 Financial risk management (cont'd)

The Managing Director is required to report to the Board if any material business risks that significantly impact on the business have arisen since the last Board meeting and if an effective internal control policy is in place and has been followed (as applicable).

As part of the Company's internal risk management policies, the Managing Director and company secretary have completed a formal review identifying risk areas and internal controls required to mitigate such risk. Such review will occur on an ongoing basis.

If interest rates had increased or decreased by 100 basis points from the year end rates with all other variables held constant, post-tax profit for the year would have been $78,317 higher/lower (2008 n/a) for the Group and $78,062 higher/lower (2008 n/a) for the Company, as a result of higher/lower interest income from cash and cash equivalents. Other components of equity would have been correspondingly higher/lower.

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

30 June 2009 Consolidated	**Note**	**Weighted average interest rate**	**1 year or less $**	**2-5 years $**	**Total $**
Financial assets					
Cash and cash equivalents	27(a)	4.32%	7,831,681	-	7,831,681
Financial liabilities					
Borrowings	15	4.70%	(5,532)	-	(5,532)
Total			7,826,149	-	7,826,149

30 June 2008 Consolidated	**Note**	**Weighted average interest rate**	**1 year or less $**	**2-5 years $**	**Total $**
Financial assets					
Cash and cash equivalents	27(a)	7.35%	9,241,057	-	9,241,057
Financial liabilities					
Borrowings	15	7.84	(69,065)	-	(69,065)
Total			9,171,992	-	9,171,992

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.

2 Financial risk management (cont'd)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates: Financial assets that are neither past due and not impaired are as follows:-

	CONSOLIDATED		THE COMPANY	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Cash and cash equivalents				
'A' S&P rating	7,831,681	9,241,057	7,806,206	9,236,127
Trade and other receivables				
'A' S&P rating	160,176	34,955	160,176	34,955
Group 1*	59,494	21,885	24,833	1,444
Group 2*	94,575	12,331	94,575	29,435
Receivables (Non current)				
Group 1*	-	-	3,875,933	918,119

*Group 1: Existing customers (more than 6 months) with no defaults in the past
*Group 2: Non credit rating financial assets

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 insurance premium funding, of which the balance is payable over the next 12 months at a weighted average interest rate of 4.70%.

Maturities of financial liabilities
The tables below analyse the Group's and the Company'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 2009

	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	396,951	-	-	-	-	396,951	396,951
Variable rate	-	-	-	-	-	-	-
Fixed rate	5,532	-	-	-	-	5,532	5,532
Total non-derivatives	**402,483**	**-**	**-**	**-**	-	**402,483**	402

2. Financial risk management (cont'd)

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

Company – At 30 June 2009

	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	403,280	-	-	-	-	403,280	403,280
Variable rate	-	-	-	-	-	-	-
Fixed rate	5,532	-	-	-	-	5,532	5,532
Total non-derivatives	**408,812**	-	-	-	-	**408,812**	408,812

Company – 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

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 carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The 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	
	2009 $	2008 $	2009 $	2008 $
3 Revenues				
From continuing operations				
Interest revenue:				
Bank deposits	521,390	122,697	521,390	122,352
Other revenue:				
Employee options cancelled	-	5,800	-	5,800
Government Offsets	-	35,449	-	-
Other	128,572	48,848	215,520	48,848
	128,572	90,097	215,520	54,648

Government grants
Research and development offsets of $35,449 were recognised as other income by the Group during the 2008 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

	Consolidated		Company	
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	(2,562)	(11,935)	(2,562)	(11,935)
Depreciation of non-current assets	(56,907)	(33,213)	(56,907)	(33,213)
Employee benefit expense:				
Other employee benefits	(259,889)	(128,937)	(259,889)	(128,937)

5. Income taxes

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
a) Income tax expense / (benefit)				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
R & D tax rebate	-	-	-	-
	-	-	-	-
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	(2,256,691)	(554,987)	(1,744,492)	(533,678)
Income tax (benefit) at 30% (2008: 30%)	(677,007)	(166,496)	(523,348)	(160,103)
Tax effect of amounts which are not deductible (taxable):				
Share-based payments	2,505	1,320	2,505	1,320
Tenement expenditure write-off	499,107	18,103	387,968	2,999
ITRAA 1997 s40-730 Exploration Expenditure	(718,737)	(360,868)	(258,852)	(193,298)
Write-off for business related capital costs	(38,486)	(37,805)	(38,486)	(37,805)
Sundry non-deductible items	48,987	36,754	48,987	32,354
Sundry non-assessable/ deductible items	(57,054)	(34,552)	(57,054)	(19,518)
	(940,685)	(543,544)	(438,280)	(374,051)
Under/ (over) provision in prior years	-	-	-	-
R & D tax rebate	-	-	-	-
Income tax expense/ (benefit) not recognised	940,685	543,544	438,280	374,051
Total income tax expense/ (benefit)	-	-	-	-
c) Tax losses				
	9,233,838	6,098,221	6,810,290	5,349,358
Potential tax benefit at 30%	2,770,151	1,829466	2,043,087	1,604,807

5. Income taxes (cont'd)

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
d) Unrecognised temporary differences				
Deferred tax assets and liabilities not recognised relate to the following:				
Deferred tax assets				
Tax losses	2,770,151	1,829,466	2,043,087	1,604,807
Capital raising costs	61,426	92,719	61,426	92,719
Other temporary differences	41,461	31,979	41,461	31,979
Deferred tax liabilities				
Capitalised exploration expenditure	(1,626,508)	(1,406,878)	(644,106)	(1,140,785)
Other temporary differences	(20,614)	(3,065)	(20,614)	(3,065)
Net deferred tax assets	1,225,916	544,221	1,481,254	585,655

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

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

ii. 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 24.

6. Key management personnel disclosures

(a) 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	
	2009 $	2008 $	2009 $	2008 $
Short-term employee benefits	427,132	289,494	427,132	289,494
Post-employment benefits	35,418	46,081	35,418	46,081
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payment	(21,500)	-	(21,500)	-
	441,050	335,575	441,050	335,575

Detailed remuneration disclosures are provided in sections B of the remuneration report on pages 18 - 23.

6. Key management personnel disclosures (cont'd)

(b) 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 14-16.

(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.

2009	Bal @ 1/7/08	Granted as compensation	Exercised	Net other change	Bal @ 30/06/09	Vested and exercisable	Unvested
	No.	No.	No.	No.	No.	No.	No.
G.C. George	-	-	-	-	-	-	-
N.J. Smith	-	-	-	-	-	-	-
G.J. Bromley	500,000	660,000	-	(1,160,000)	-	-	-
A. Tsang	-	-	-	-	-	-	-
	500,000	660,000	-	(1,160,000)	-	-	-

2008	Bal @ 1/7/07	Granted as compensation	Exercised	Net other change	Bal @ 30/06/08	Vested and exercisable	Unvested
	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	-

(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.

2009	Balance@ 1/7/08	Received on exercise of options (1)	Net other change	Balance@ 30/06/09
	No.	No.	No.	No.
G.C. George (1)	2,786,625	-	-	2,786,625
N.J. Smith	3,078,100	-	25,000	3,103,100
G.J. Bromley (2)	6,355,001	-	-	6,355,001
A. Tsang (3)	17,928,243	-	12,856,869	30,785,112
	30,147,969	-	12,881,869	43,029,838

6. Key management personnel disclosures (cont'd)

2008	Balance@ 1/7/07 No.	Received on exercise of options No.	Net other change No.	Balance@ 30/06/08 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	-	1,117,000	16,811,243	17,928,243
	12,885,822	2,796,575	14,465,572	30,147,969

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

Note (1): Subsequent to 30 June 2009, Mr George acquired an additional 50,000 ordinary shares on market taking his total holding to 2,836,625 ordinary fully paid shares.
Note (2): Subsequent to 30 June 2009, Mr Bromley disposed of 800,000 ordinary shares off market taking his total holding to 5,555,001 ordinary fully paid shares.
Note (3): Subsequent to 30 June 2009, Mr Tsang acquired an additional 1,305,000 ordinary shares on market taking his total holding to 32,090,112 ordinary fully paid shares.

(d) Other transactions with key management personnel

A director, Mr Nicholas Smith is the principal of Portcullis Advisory Pty Ltd. Portcullis Advisory Pty Ltd has provided legal services to Mindax Limited and subsidiaries for several years on normal commercial terms and conditions.

A director, Mr Gilbert George is the principal of Gilbert George & Associates Pty Ltd. Gilbert George & Associates has provided coporate consultancy services to Mindax Limited and subsidiaries for several years on normal commercial terms and conditions.

A director, Mr Andrew Tsang has provided during the financial year ending 30 June 2009, underwriting services to Mindax Limited. The transactions are on commercial arms-length basis.

A director, Mr Gregory Bromley is the principal of Bromley & Co. Bromley & Co. Bromley & Co has provided geological and corporate services to Mindax Limited and its subsidiaries during the financial year ending 30 June 2009.

Mr A Francesca, Company Secretary for Mindax Limited, is a director of FJH Solutions. The Company has entered an agreement with FJH Solutions to provide support with the Company secretarial and other book keeping and accounting functions. 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 12 August 2009 it was formally resolved to extend the engagement until 30 June 2010. 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.

6. Key management personnel disclosures (cont'd)

Aggregate amounts of each of the above types of other transactions with key management personnel of Mindax Limited:

	Consolidated	
	2009 $	2008 $
Amounts recognised as expense		
Professional fees	171,411	103,059
Management & secretarial fees	63,600	55,200
Amounts capitalised		
Exploration & evaluation expenditure	8,388	15,500
Prospectus issue & raising costs	26,981	8,650

Aggregate amounts payable to key management personnel of the Group at balance date to the above types of other transactions:

Current liabilities	5,830	-

7. Share-based payments

(a) Employee and Consultant Option Scheme

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

The 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; or
  - any greater exercise price determined by the Board and advised to the Employee or Consultant when Options are offered to the Employee or Consultant,
- Options 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 350,000 staff options over ordinary shares in the Company as at 30 June 2009. (2008: 700,000)

During the current financial year 250,000 options were issued to employees with an exercise price of $0.53 and an expiry date of 1 August 2012; and 660,000 with an exercise price of $0.60 and an expiry date of 30 June 2011. 1,260,000 options were subsequently cancelled during the financial year.

7. Share-based payments (cont'd)

Set out below are summaries of options granted and cancelled 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	Balance at end of the year	Vested and Exercisable at end of year Number
2009								
21-Dec-05	21-Dec-08	0.25	600,000	-	-	(600,000)	-	-
10-Jan-08	10-Jan-11	0.25	100,000	-	-	-	100,000	100,000
4-Aug-08	1-Aug-12	0.53	-	250,000	-	-	250,000	250,000
23-Dec-08	30-Jun-11	0.60	-	660,000	-	(660,000)	-	-
Total			**700,000**	**910,000**	**-**	**(1,260,000)**	**350,000**	**350,000**
Weighted average exercise price			$0.25	$0.58	-	$0.43	$0.58	$0.58

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.64 years

Grant date	Expiry date	Exercise price $	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Cancelled during the year Number	Balance at end of the year	Vested and Exercisable at end of year Number
2008								
21-Dec-05	21-Dec-08	0.25	700,000	-	(100,000)	-	600,000	600,000
10-Jan-08	10-Jan-11	0.25	-	300,000	-	(200,000)	100,000	100,000
Total			**700,000**	**300,000**	**(100,000)**	**(200,000)**	**700,000**	**700,000**
Weighted average exercise price			$0.25	$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

(b) Expenses arising from share-based payment transactions

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

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Options issued under EOS	8,351	8,700	8,351	8,700

(c) Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 30 June 2009 are outlined below. The fair value at grant date is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the option term, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2009 included:

	250,000 employee options issued 4Aug 2008	660,000 employee options issued 23 Dec 2008
Exercise price	$0.53	$0.60
Grant date	4 August 2008	23 December 2008
Expiry date	1 August 2012	30 June 2011
Share price at grant date	$0.44	$0.25
Expected price volatility of the Company's shares	105%	105%
Expected dividend yield	0%	0%
Risk-free interest rate	5.98%	3.83%
Fair Value	**$0.33**	**$0.04**

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$

8. Remuneration of auditors

Auditor of the parent entity				
BDO Kendalls Audit & Assurance (WA) Pty Ltd				
Audit or review of the financial report	28,138	25,873	23,138	25,873

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

9. Trade & other receivables

Current

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Bank guarantee	160,176	34,955	160,176	34,955
Goods and services tax (GST) recoverable	34,661	20,441	-	17,104
Other tax credits recoverable	11,081	1,444	11,081	1,444
Advance for expenditure	15	15	15	15
Prepayments	34,095	12,316	34,095	12,316
Accrued income	60,465	-	60,465	-
Other receivables	13,752	-	13,752	-
	314,245	69,171	279,584	65,834

a) Impaired trade receivables

There are no impaired trade receivables for both the Group and the Company in 2008 or 2009.

b) Past due but not impaired

There are no trade receivables past due but not impaired.

c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

d) 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.

Non Current

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Inter-entity loan to subsidiary	-	-	3,875,823	918,109

The receivable is carried at cost and non interest bearing. There is no impairment to the receivable for the year ending 30 June 2008 or 2009.

10. Other non-current financial assets

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Shares in controlled entities (refer Note 24) (i)	-	-	110	10

(i) These financial assets are carried at cost.

11. Property, plant and equipment

	Consolidated			Company		
	Plant and equipment at cost	Leasehold Improve-ments	Total	Plant and equipment at cost	Leasehold Improve-ments	Total
	$	$	$	$	$	$
Gross carrying amount						
Balance at 1 July 2007	257,649	-	257,649	257,649	-	257,649
Additions	10,804	-	10,804	10,804	-	10,804
Balance at 1 July 2008	268,453	-	268,453	268,453	-	268,453
Additions	93,447	39,434	132,881	93,447	39,434	132,881
Balance at 30 June 2009	361,900	39,434	401,334	361,900	39,434	401,334
Accumulated depreciation/ amortisation and impairment						
Balance at 1 July 2007	(102,226)	-	(102,226)	(102,226)	-	(102,226)
Depreciation expense	(33,213)	-	(33,213)	(33,213)	-	(33,213)
Balance at 1 July 2008	(135,439)	-	(135,439)	(135,439)	-	(135,439)
Depreciation expense	(51,588)	(5,319)	(56,907)	(51,588)	(5,319)	(56,907)
Balance at 30 June 2009	(187,027)	(5,319)	(192,346)	(187,027)	(5,319)	(192,346)
Net book value						
As at 1 July 2008	133,014	-	133,014	133,014	-	133,014
As at 30 June 2009	174,873	34,115	208,988	174,873	34,115	208,988

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

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
12. Exploration & evaluation expenditure				
Deferred exploration costs brought forward	4,689,593	3,565,994	3,802,617	3,158,291
Deferred exploration costs this year	2,416,602	1,190,207	(362,372)	654,324
Exploration costs previously deferred, now written off	(1,684,502)	(66,608)	(1,293,225)	(9,998)
Deferred exploration costs carried forward	5,421,693	4,689,593	2,147,020	3,802,617

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.

A number of tenements were relinquished and consequently written off during the financial year subsequent to systematic exploitation concluding these tenements were are not sufficiently prospective to return future economic benefits to the Company or group.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$

13. Other non-current assets

Other	2,065	4,345	1,785	3,785

14. Current trade and other payables

Trade payables	218,429	181,219	218,429	181,219
Other creditors and accruals	178,522	127,064	184,851	127,064
	396,951	308,283	403,280	308,283

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

Secured				
Hire purchase liabilities (refer Note 21(d))	-	67,834	-	67,834
Less unexpired interest	-	(1,347)	-	(1,347)
	-	66,487	-	66,487
Unsecured				
Other loans – premium funding	5,792	2,702	5,792	2,702
Less unexpired interest	(260)	(124)	(260)	(124)
	5,532	2,578	5,532	2,578
	5,532	69,065	5,532	69,065

a) Risk exposure

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

b) Assets pledged as security (2008)

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.

16. Current provisions

Employee benefits	77,622	31,754	77,622	31,754

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.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
17. Other current liabilities				
Shares to be allotted	-	5,816,284	-	5,816,284

18. Contributed equity

	Consolidated		Company	
	2009	2008	2009	2008
129,115,756 fully paid ordinary shares (2008: 90,805,286)	17,905,692	10,270,579	17,905,692	10,270,579

	2009		2008	
	No.	$	No.	$
Fully paid ordinary shares				
Balance at beginning of financial year	90,805,286	10,270,579	56,428,467	6,344,771
Issue of shares :				
• 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
• pursuant to exercise of listed options at $0.20 per share	30,538,713	6,107,743	-	-
• pursuant to underwriting agreement	7,771,757	1,554,351	-	-
• transaction costs arising from issue for cash	-	(26,981)	-	(279,417)
Balance at end of financial year	129,115,756	17,905,692	90,805,286	10,270,579

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 2009, employees have options over 350,000 ordinary shares; of which 100,000 expire 10 January 2011 and have an exercise price of $0.25; the remaining 250,000 expire 1 August 2012 with an exercise price of $0.53.

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

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 net assets of the Company are equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange.

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.

19. Reserves & accumulated losses

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
a) Reserves				
Employee equity-settled benefits	11,251	28,700	11,251	28,700
Employee equity-settled benefits reserve				
Balance at beginning of financial year	28,700	30,100	28,700	30,100
Share-based payment	10,960	8,700	10,960	8,700
Options exercised	-	(4,300)	-	(4,300)
Options cancelled	(28,409)	(5,800)	(28,409)	(5,800)
Balance at end of financial year	11,251	28,700	11,251	28,700

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.

i) Nature and purposes of reserves

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

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
b) Accumulated losses				
Balance at beginning of financial year	(2,387,485)	(1,832,498)	(2,365,169)	(1,831,491)
Net loss attributable to members of the parent entity	(2,256,691)	(554,987)	(1,744,492)	(533,678)
Expiry of unexercised employee options	25,800	-	25,800	-
Balance at end of financial year	(4,618,376)	(2,387,485)	(4,083,861)	(2,365,169)

20. Earnings per share

	Consolidated	
	2009	2008
	Cents per share	Cents per share
(a) Basic loss per share		
From continuing operations	(1.7548)	(0.762)
Total basic loss per share	(1.7548)	(0.762)

(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.

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

	Consolidated	
	2009	2008
	$	$
Basic loss from continuing operations	(2,256,691)	(554,987)

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

	2009	2008
	No.	No.
Weighted average number of ordinary shares for the purposes of basic loss per share	128,598,771	72,884,975

21. Commitments for expenditure

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
(a) Exploration Commitments				
Not longer than 1 year	1,304,475	1,570,975	254,375	1,068,475
Longer than 1 year and not longer than 5 years	6,822,900	8,744,150	1,503,000	4,907,400
Longer than 5 years	1,813,100	2,409,100	440,000	1,408,100
	9,940,475	12,724,225	2,197,375	7,383,975

(b) Lease commitments

Operating leases

Leasing arrangements

Operating leases relate to office and storage facilities with lease terms of between 1 to 3 years. The current office lease term expires on 30 September 2011 with the option to renew for a further three year term. 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 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Non-cancellable operating lease payments				
Not longer than 1 year	233,451	24,958	233,451	24,958
Longer than 1 year and not longer than 5 years	289,889	1,430	289,889	1,430
Longer than 5 years	-	-	-	-
	523,340	26,388	523,340	26,388
(c) Remuneration commitments				
Directors				
Commitments under non-cancellable employment contracts not provided for in the financial statements and payable:				
Not longer than 1 year	285,000	94,176	285,000	94,176
Longer than 1 year and not longer than 5 years	427,500	-	427,500	-
	712,500	94,176	712,500	94,176
(d) Hire purchase commitments				
Not longer than 1 year	-	67,834	-	67,834
Longer than 1 year and not longer than 5 years	-	-	-	-
	-	67,834	-	67,834

22. Contingent liabilities and contingent assets

Contingent liabilities

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

A term deposit of $124,042 has also been secured by the Company's bankers to provide a bank guarantee in support of the lease agreement for the Company's business premises.

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

23. 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 4,300 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. Information relating to the joint venture partnership is set out below.

	Consolidated	
	2009 $	2008 $
Current assets		
Cash & cash equivalents	25,475	4,930
Trade & other receivables	35,594	3,777
Non current assets		
Exploration & evaluation expenditure	1,329,562	886,979
	1,329,562	886,979

24. Subsidiaries

Name of entity	Country of incorporation	Ownership interest 2009 %	Ownership interest 2008 %
Parent entity			
Mindax Limited	Australia		
Subsidiaries			
Mindax Energy Pty Ltd (1)	Australia	100	100
Yilgiron Pty Ltd (2)	Australia	100	-

(1) Incorporated on 23 January 2006
(2) Incorporated on 2 September 2008

25. Segment information

Mindax Limited operates exclusively in mineral exploration operations in Australia.

26. 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 24.

(c) Key management personnel

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

26. Related party disclosures (cont'd)

(d) Transactions and balances with related parties

The following transactions occurred with related parties:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Other income				
JV operator fee charged to subsidiaries	-	-	141,241	-
Other transactions				
Purchase of services: other related parties	206,780	127,209	206,780	127,209
Outstanding balances arising from sales/ purchases of goods & services				
Current payables (purchases of services)				
Other related parties	5,830	32,560	5,830	32,560
Loans to/from related parties				
Loans to subsidiaries				
Beginning of the year	-	-	918,109	419,322
Loans advanced	-	-	2,957,714	498,787
Loan repayments made	-	-	-	-
Interest charged	-	-	-	-
Interest received	-	-	-	-
End of year	-	-	3,875,823	918,109

All loans advanced to and payable to the Company's wholly owned subsidiaries are unsecured and subordinate to other liabilities. Interest is not charged on the outstanding intercompany loan balance.

27. 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 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash and cash equivalents	7,831,681	9,241,057	7,806,205	9,236,127
Cash and cash equivalents attributable to discontinued operations	-	-	-	-
	7,831,681	9,241,057	7,806,205	9,236,127

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

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
(b) Reconciliation of loss for the period to net cash flows from operating activities				
Loss for the period	(2,256,691)	(554,987)	(1,744,492)	(533,678)
Depreciation and amortisation of non-current assets	56,907	33,213	56,907	33,213
Equity settled share-based payment	8,351	(1,400)	8,351	(1,400)
Write-off of tenement expenditure	1,663,691	66,608	1,293,200	9,998
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:				
(Increase)/decrease in assets:				
Current receivables	(23,858)	(6,942)	13,796	(8,457)
Other current assets	(81,423)	3,869	(81,423)	3,869
Other non-current assets	280	280	-	-
Increase/(decrease) in liabilities:				
Current payables	39,238	67,466	39,238	67,466
Current provisions	45,868	14,664	45,868	14,664
Net cash used/ (from) operating activities	(547,637)	(377,229)	(368,555)	(414,325)

28. Subsequent events

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.

ADDITIONAL ASX INFORMATION

The additional information dated 18 September 2009 is required by ASX Limited Listing Rules and not disclosed elsewhere in this report.

Distribution of Shareholders:

Spread of holdings	Number
1 - 1,000	37
1,001 - 5,000	71
5,001 - 10,000	97
10,001 - 100,000	230
100,001 – and over	80
TOTAL	515

Number of shareholders holding less than a marketable parcel: 42

Substantial Shareholders:

Shareholder Name	Number of shares	%
Andrew Tsang *	32,090,112	24.85
Jupiter Mines Limited	13,183,579	10.21
Tse Ngai Yeung	7,980,000	6.18
TOTAL	53,253,691	41.24

*The interest held with respect to 1,325,979 of these shares is held by Chunxiang Zeng, wife of Andrew Tsang.

Voting rights:

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

(b) Options: no voting rights.

Quoted Securities and Restricted Securities:

The Company is listed on ASX Limited.

(a) **Quoted securities**:

Shares – all 129,115,756 ordinary fully paid shares on issue are quoted securities.

(b) **Restricted securities**:

There are no restricted securities.

Unlisted Options:

The Company has on issue; 100,000 employee options with an exercise price of $0.25 and an expiry date of 10 January 2011; and 250,000 employee options with an exercise price of $0.53 and an expiry date of 1 August 2012. The options are held by two employees and were issued pursuant to the Company's Employee and Consultant Option Scheme.

Twenty Largest Shareholders:

Shareholder		Number of Shares	Percentage
MR ANDREW TSANG		30,764,133	23.826
HSBC CUSTODY NOMINEES (AUS) LTD		24,526,743	18.996
JUPITER MINES LIMITED		13,183,579	10.210
MR GUO XIONG ZENG		5,833,971	4.518
MS LICI ZENG		4,841,102	3.749
CHIPINGI PTY LTD <BROMLEY FAMILY A/C>		4,700,000	3.640
PORTCULLIS CORPORATE ADVISORY PTY LTD		2,838,900	2.198
MRS WENZHEN ZHANG		2,750,000	2.129
MCNEIL NOMINEES PTY LIMITED		2,500,000	1.936
MR GILBERT CHARLES GEORGE		2,306,625	1.786
PHILLIP SECURITIES (HONG KONG) LTD <CLIENT A/C>		1,385,570	1.073
MR YUANWEN ZHU		1,375,000	1.064
MS CHUNXIANG ZENG		1,325,979	1.026
MR NENGYAN ZHANG		1,262,677	0.977
MR HEMING HE		1,123,877	0.870
MR WENBIN WANG		890,000	0.689
MR GREGORY JOHN BROMLEY & MRS CAROLINE MURIEL BROMLEY <BROMLEY SUPER FUND A/C>		855,000	0.662
MR CHAOHUI ZHANG		836,000	0.647
MR JOHN BURGESS & MRS ERNESTINE BURGESS < JOHN BURGESS SUPER FUND A/C >		787,500	0.609
ZHANGXI ZENG		747,150	0.578
	TOTAL	**104,833,806**	**81.183**

INTEREST IN MINING TENEMENTS

Tenement No	Project	Locality	Status	Interest (%)
E29/532	Bulga Downs	Bulga Downs	granted	100
E29/533	Bulga Downs	Bulga Downs	granted	100
E29/534	Bulga Downs	Bulga Downs	granted	100
M29/257	Bulga Downs	Mount Forrest - Bulga Downs	granted	100
M29/258	Bulga Downs	Mount Forrest - Bulga Downs	granted	100
M29/314	Bulga Downs	Mount Forrest	granted	100
M29/348	Bulga Downs	Toucan - Bulga Downs	granted	100
M29/349	Bulga Downs	Macaw North - Bulga Downs	granted	100
M29/350	Bulga Downs	Macaw - Bulga Downs	granted	100
M29/351	Bulga Downs	Bulga Downs	granted	100
E57/552	Maynard Hills	Middle Well	granted	100
E57/555	Maynard Hills	Youanmi	granted	100
E57/556	Maynard Hills	Youanmi	granted	100
E57/787	Maynard Hills	Black Hill	application	100
E57/788	Maynard North	Black Hill	application	100
E57/597	Maynard North	Black Hill	granted	100
E57/598	Maynard North	Booylgoo Springs	granted	100
E51/1034	Meekatharra	Sherwood	granted	100
E29/459	Panhandle	Lake Barlee	granted	100
E70/2916	Yilgarn-Avon	Kellerberrin	granted	50
E70/2917	Yilgarn-Avon	Kellerberrin	granted	50
E70/2920	Yilgarn-Avon	Bonnie Rock	granted	50
E70/2986	Yilgarn-Avon	Mukinbudin	granted	50
E70/3039	Yilgarn-Avon	Brookton	granted	50
E70/3040	Yilgarn-Avon	South Kellerberrin	granted	50
E70/3165	Yilgarn-Avon	Yenyenning Lakes	application	50
E70/3480	Yilgarn-Avon	Cunderdin	application	50
E70/3168	Yilgarn-Avon	Quairading	application	50
E70/3171	Yilgarn-Avon	Doodlakine	application	50
E70/3178	Yilgarn-Avon	Bella North	application	50
E70/3266	Yilgarn-Avon	Canternatting Pool	granted	50
E70/3662	Yilgarn-Avon	Mukinbudin	application	50
E70/3661	Yilgarn-Avon	Mukinbudin	application	50
E70/3641	Yilgarn-Avon	Kellerberrin	application	50
E77/1316	Yilgarn-Avon	Westonia	granted	50
E77/1317	Yilgarn-Avon	Westonia	granted	50
E77/1336	Yilgarn-Avon	Mukinbudin	granted	50
E77/1337	Yilgarn-Avon	Mukinbudin	granted	50
E77/1405	Yilgarn-Avon	Jinadarra	granted	50
E77/1450	Yilgarn-Avon	Westonia	granted	50
E70/2518	Yilgarn-Avon SENL	Meenar	granted	40
E70/2519	Yilgarn-Avon SENL	Goomalling - Koo	granted	40
E70/2520	Yilgarn-Avon SENL	Goomalling - Hulogine	granted	40
E70/2521	Yilgarn-Avon SENL	Jurakine	granted	40
E70/2668	Yilgarn-Avon SENL	Botherling	granted	40
E70/3481	Yilgarn-Avon SENL	Goomalling	application	40
E70/3482	Yilgarn-Avon SENL	Grass Valley/Avon	application	40
E70/3483	Yilgarn-Avon SENL	Karrabein	application	40
E70/3616	Yilgarn-Avon SENL	Hulongine	application	40
E70/3617	Yilgarn-Avon SENL	Youloning	application	40

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