



ABN 28 106 866 442

HALF-YEAR FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

CORPORATE DIRECTORY

DIRECTORS

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

PRINCIPAL OFFICE

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West Perth WA 6005

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Website www.mindax.com.au

REGISTERED OFFICE

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BURSWOOD WA 6100
Telephone (08) 9486 2333
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AUDITORS

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

COMPANY SECRETARY

Angelo Francesca

BANKERS

Commonwealth Bank
1254 Hay Street
West Perth WA 6005

Westpac Banking Corporation
465 Scarborough Beach Road
Osborne Park WA 6017

SHARE REGISTRY

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING

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

ASX Codes: MDX (shares)
MDXOA (options)

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MINDAX LIMITED – HALF YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Mindax Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2011.

1. DIRECTORS

The directors of Mindax Limited (**the Company**) at any time during the whole of the half-year and up to the date of this report are:

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

2. OPERATING RESULTS

The consolidated net loss from ordinary activities after providing for income tax amounted to \$1,228,676 (2010: loss of \$1,585,390).

3. REVIEW OF OPERATIONS

EXPLORATION

Exploration highlights for the half-year by operating segments included the following;

Iron Ore (Comprising the Mt Forrest Project)

Mineral Resource Inventory

- Revised Magnetite Resource now includes 248.2 million tonnes @ 32.6% Fe in JORC Indicated category, 583.5 million tonnes @ 32.4% Fe in JORC Inferred category (refer Table 1) and High Tenor magnetite of 26.7 million tonnes @ 42.1% Fe in JORC Indicated and Inferred categories (refer Table 2).

Table 1
Magnetite - Resource

Resource Category	Million Tonnes	Mean Fe%	Mean SiO ₂ %	Mean Al ₂ O ₃ %	Mean P%	Mean S%	Mean LOI%
Indicated	248.2	32.6	47.0	1.7	0.06	0.12	1.1
Inferred	583.5	32.4	47.1	1.5	0.06	0.17	1.0
Total	831.7	32.5	47.0	1.6	0.06	0.16	1.0

Note: Some inconsistencies due to rounding may occur.

Table 2
High Tenor Magnetite Resource

Resource Category	Million Tonnes	Mean Fe%	Mean SiO ₂ %	Mean Al ₂ O ₃ %	Mean P%	Mean LOI%
Indicated	10.4	40.8	38.6	0.8	0.05	0.0
Inferred	16.3	42.9	35.5	1.3	0.05	0.1
Total	26.7	42.1	36.7	1.1	0.05	0.0

Note: Some inconsistencies due to rounding may occur.

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Mineral Resource Inventory - continued

- Regolith Iron Resource now includes 14.7 million tonnes @ 45.4% Fe in JORC Indicated and Inferred categorised (refer Table 3).
- The present depleted Mineral Resource is 521.1 million tonnes at 31.4 % Fe in JORC Inferred Category (refer Table 4).
- The Mineral Resource has been reported and classified using the guidelines of the 2004 JORC Code. The revised total iron inventory now stands at 1.4 billion tonnes @ 32.2% Fe in JORC Indicated and Inferred Categories (refer Table 5).

Table 3
Regolith Iron – Resource

Resource Category	Million Tonnes	Mean Fe%	Mean SiO ₂ %	Mean Al ₂ O ₃ %	Mean P%	Mean S%	Mean LOI%
Indicated	12.3	45.5	23.0	5.2	0.06	0.07	6.1
Inferred	2.4	44.8	26.4	4.5	0.05	0.06	4.6
Total	14.7	45.4	23.5	5.0	0.06	0.07	5.8

Note: Some inconsistencies due to rounding may occur.

Table 4
Magnetite – Residual Resource

Resource Category	Million Tonnes	Mean Fe%	Mean SiO ₂ %	Mean Al ₂ O ₃ %	Mean P%	Mean S%	Mean LOI%
Inferred	521.1	31.4	48.7	1.7	0.04	0.07	2.7

Note: Some inconsistencies due to rounding may occur.

Table 5
Total Mt Forrest Iron Resources

Resource	Million Tonnes	Mean Fe%	Mean SiO ₂ %	Mean Al ₂ O ₃ %	Mean P%	Mean S%	Mean LOI%
Magnetite	1,352.5	31.5	46.9	1.6	0.05	0.12	1.6
Regolith iron	14.7	45.4	23.5	5.0	0.06	0.07	5.8
Total	1,367.5	32.2	47.4	1.7	0.05	0.12	1.6

Note: Some inconsistencies due to rounding may occur.

Geometallurgy

- Metallurgical testwork demonstrates good achievable recoveries from this regolith mineralisation to marketable specifications (Platt 58 and Platt 62 indices).
- Newly identified detrital iron mineralisation expected to positively impact future regolith resource position.

Infrastructure

- Mindax continues to make solid progress on approvals, infrastructure planning and negotiations with infrastructure providers.
- In October, the first of 12 Miscellaneous Licence applications that constitute an infrastructure corridor from Mt Forrest to Menzies was granted.

Heritage and Environment

- Mindax is in full compliance with its obligations under State legislation, has an agreement with the sole registered Native Title applicant over the area and has amassed considerable ethnographic and archaeological information over the area.
- Environmental baseline work continues to advance. Summer Level 2 Flora and Fauna survey has been completed. No new declared rare flora was identified in this work.

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- The fauna survey report is pending however there were no listed or threatened species present in the project area. Micros subterranean faunal studies are progressing but to date have not indicated any issues.

Scoping Study

- A combined scoping study is being finalised looking at goethite-hematite and magnetite scenarios, the recent resource upgrades, metallurgical testwork and the evolving mine to Esperance Port infrastructure situation.
- Scoping Study expected to be completed mid to late March 2012.

Yilgarn-Avon Joint Venture – Mukinbudin, Kellerberrin, Quairading Projects (Uranium, 75% and operator)

Resource Estimation

- Maiden resource of 3.2Mlb @0.02% U₃O₈ (0.01% U₃O₈ cut off) in JORC Inferred category, announced for Jindarra and Yandegin prospects represents significant milestone in this greenfields discovery.
- The mineral estimate currently consists of 1.1Mlbs at 0.03% U₃O₈ at the Jindarra Prospect and 2.1Mlbs at 0.02% U₃O₈ at the Yandegin Prospect.
- This is the first time a uranium resource has been estimated on a prospect in the Wheatbelt of WA.

Conceptual Exploration Target

- Drilling completed within the Mukinbudin Project and the successful identification of two mineralised prospects has allowed a Conceptual Exploration Target (**CET**) to be devised for the Mukinbudin Project. This conceptual target has been set as 10 to 25 million pounds U₃O₈ at a grade of 0.05% - 0.15% U₃O₈. Note: *the nature of the exploration target means that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.*
- This exploration target has been set to accurately define the realistic potential that the project has to host mineralisation and the economic parameters (pounds & grade) required for a successful mining project.

Yilgarn-Avon – Sipa Joint Venture – Mortlock Project (Copper-Gold, 75% and operator)

- A detailed review of the project has been conducted during the half year. All datasets were reinterrogated and the exploration targeting register updated.
- Recommendations for partial relinquishment and full surrender of some exploration tenements have been made; and as a result, a significant program of tenement rationalisation has occurred. However all priority targets have been retained.

Meekatharra North Project (Gold, 100%)

- No significant fieldwork was undertaken during the half year and discussions are underway with a potential Joint Venture partner for this project.
- A Program of Work application to conduct aircore drilling has been approved by the Department of Mines and Petroleum.
- Negotiations to conduct a heritage survey are progressing where this program will target north-west orientated structures that are known to host gold immediately to the north of the tenement in the Andy Well area.

Competent Person

The information in this report that relates to mineral resource estimates for Iron and Uranium (“the estimates”) are reported under the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves for Iron and Uranium (JORC Code, 2004 Edition) (“the Code”).

The estimates were carried out by Mr Michael Andrew (for the Iron) and Dr Katrin Kärner (for the Uranium) who are members of the Australasian Institute of Mining and Metallurgy (MAusIMM), and who have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined by the Code.

Mr Andrew and Dr Kärner are full-time employees of Optiro Pty Ltd, and consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineralisation, Exploration and Drilling Results 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 5 years experience in the field of activity being reported on.

Mr Greg Bromley is a full-time employee of Mindax Limited 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

Completion of Entitlements Issue

On 15 August 2011 the Company completed a Renounceable Entitlements Issue offered pursuant to a Prospectus dated 1 July 2011.

Eligible Shareholders subscribed for 5,353,674 new shares (together with 5,353,674 free attaching new options on a 1 for 1 basis) at an issue price of \$0.25 per new share. Of the balance not subscribed for 13,646,326 new shares (together with free attaching new options on a 1 for 1 basis), reverted to Patersons Securities Limited (**Patersons**) as partial underwriter to the Entitlements Issue. Patersons agreed to partially underwrite the offer to the extent of \$4.75 million, representing the minimum subscription under the offer.

The Entitlements Issue raised gross proceeds of \$4.75 million; with the final number of securities issued totalling 19,000,000 new ordinary shares and 19,000,000 new options.

The new ordinary shares rank equally with existing ordinary shares on issue while the new options formed a new class of quoted securities (ASX: MDXOA).

During the period of the Entitlements Issue, the Company also issued 2 ordinary shares and 7 ordinary shares on 13 July 2011 and 18 July 2011 respectively from the conversion of options with a \$0.75 exercise price and an expiry date of 1 December 2011.

Issue of Employee Shares and Options

On 11 October 2011 the Company issued to unrelated, arm’s length employees of the Company 600,000 ordinary shares and 3,500,000 unlisted options. The shares were issued pursuant to the Company’s Employee Share Plan, the terms of which were approved at its 2010 Annual General Meeting (**AGM**). The unlisted options were issued pursuant to the Company’s Employee Option Scheme, the terms of which were approved at its 2008 AGM and refreshed at its 2011 AGM.

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The Shares were valued at \$0.15 per share as per their market price on the date of issue.

The Unlisted Options were issued in two tranches.

The first tranche of 1,750,000 Unlisted Options were issued with an exercise price of \$0.45 expiring on 30 September 2013. The Options were valued at \$0.014 each using the Black-Scholes option valuation model.

The second tranche of 1,750,000 Unlisted Options were issued with an exercise price of \$0.60 expiring on 30 September 2014. The Options were valued at \$0.018 each using the Black-Scholes option valuation model.

2011 Annual General Meeting

The AGM of Shareholders of the Company was held on 17 November 2011. All resolutions set out in the notice of meeting dated 10 October 2011 were passed on the requisite show of hands.

Expiry of Options

The following options issued by the Company expired on 1 December 2011 without exercise:

1. 64,938,800 listed options (ASX code: MDXO) with an exercise price of \$0.75.
2. 3,000,000 unlisted options with an exercise price of \$0.75.

4. SUBSEQUENT EVENTS

Capital Raising

On 21 February 2012, the Company announced it had secured commitments for a placement of 17,500,000 ordinary fully paid shares at ten (10) cents per share to raise gross proceeds of \$1.75 million (before associated issue costs). The placement was finalised on 28 February 2012. The funds are to be used to advance Mt Forrest prefeasibility studies, further drilling & exploration, and working capital.

Heads of Agreement

On 28 February 2012, the Company entered into a Heads of Agreement (**HOA**) to form a strategic partnership with Japan's Sumitomo Corporation (**Sumitomo**), one of the largest worldwide diversified trading groups, to fast track feasibility and development of the Direct Shipping Ore (**DSO**) component of Mindax's Mt Forrest Iron Project (**Project**).

It is proposed that Sumitomo will have the right to acquire up to a 70% interest in the Project by way of farm-in, spending up to \$115 million in stages (**Transaction**).

Sumitomo has been granted exclusivity for two months to undertake due diligence. In consideration for such exclusivity, Sumitomo has agreed to pay the Company \$1 million in two equal non-refundable instalments.

Subject to due diligence findings and necessary approvals to proceed with the Transaction, the Company and Sumitomo intend to negotiate and execute a Framework Agreement and Joint Venture Agreement to incorporate full terms, and set out the legally binding obligations and rights of the parties with respect to the proposed Transaction.

Requisition for Removal of Directors and Appointment of Director

On 5 March 2012, the Company received a requisition from Mr Andrew Tsang, a substantial shareholder and non-executive director of the Company, pursuant to section 249D of the *Corporations Act 2001 (the Act)*, requesting that the Company convene a meeting of shareholders to remove Mr Gregory Bromley and Mr Kenneth Pettit as directors of the Company, and to appoint Mr John Douglas Stacpoole as a director of the Company.

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At the time the Company signed this report it was seeking advice in relation to the requisition and will keep shareholders informed in due course in accordance with relevant law.

5. AUDITOR'S DECLARATION

A copy of the independence declaration by the lead auditor under section 307C of the Act is included on page 9 to this half-year financial report.

DIRECTORS' DECLARATION

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Gregory John Bromley
Director

Dated at PERTH this 12th day of March 2012

12 March 2012

The Board of Directors
Mindax Limited
Level 2, 25 Richardson St
WEST PERTH WA 6005

Dear Sirs,

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

As lead auditor of Mindax Limited for the half year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	31 Dec 2011	31 Dec 2010
	\$	\$
Revenue from continuing operations	112,237	300,772
Other income	7,206	-
Advertising	(42,063)	(45,935)
ASX fees	(48,681)	(31,859)
Depreciation and amortisation expense	(12,672)	(15,743)
Directors fees	(96,319)	(94,076)
Employee benefits expense	(381,722)	(190,319)
Share based payments – employee options	(146,000)	-
(Write-off)/Recovery of exploration expenditure	(150,959)	(1,111,511)
Corporate management fees	(119,603)	(146,573)
Consulting fees	(89,804)	(11,840)
Finance costs	-	(298)
Occupancy expense	(16,876)	(13,284)
Travel expenses	(84,319)	(65,294)
Other expenses	(159,101)	(159,430)
Loss before income tax	<u>(1,228,676)</u>	<u>(1,585,390)</u>
Income tax benefit	-	-
Net loss for the half year	<u>(1,228,676)</u>	<u>(1,585,390)</u>
Other comprehensive income	-	-
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive loss for the half-year	<u>(1,228,676)</u>	<u>(1,585,390)</u>
Loss for the half-year is attributable to:		
Owners of Mindax Limited	<u>(1,228,676)</u>	<u>(1,585,390)</u>
Total comprehensive loss for the half-year is attributable to:		
Owners of Mindax Limited	<u>(1,228,676)</u>	<u>(1,585,390)</u>
Earnings per share for loss from continuing operations attributable to ordinary equity holders of the Company		
Loss per share:		
Basic and diluted (cents per share)	(0.773)	(1.088)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2011

	31 Dec 2011	30 June 2011
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,204,719	1,974,376
Trade and other receivables	53,617	1,763,944
Prepayments	70,537	133,978
TOTAL CURRENT ASSETS	<u>3,328,873</u>	<u>3,872,298</u>
NON-CURRENT ASSETS		
Property, plant & equipment	334,768	363,504
Exploration & evaluation expenditure	19,456,593	15,572,909
Trade and other receivables	162,255	161,887
Other non-current assets	2,885	2,885
TOTAL NON-CURRENT ASSETS	<u>19,956,501</u>	<u>16,101,185</u>
TOTAL ASSETS	<u>23,285,374</u>	<u>19,973,483</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	819,148	817,465
Provisions	143,455	119,858
TOTAL CURRENT LIABILITIES	<u>962,603</u>	<u>937,323</u>
NON CURRENT LIABILITIES		
Provisions	31,784	29,509
TOTAL NON CURRENT LIABILITIES	<u>31,784</u>	<u>29,509</u>
TOTAL LIABILITIES	<u>994,387</u>	<u>966,832</u>
NET ASSETS	<u>22,290,987</u>	<u>19,006,651</u>
EQUITY		
Contributed equity	5 32,123,209	27,752,473
Reserves	770,151	624,151
Accumulated losses	(10,602,373)	(9,369,973)
TOTAL EQUITY	<u>22,290,987</u>	<u>19,006,651</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Contributed equity \$	Accumulated losses \$	Equity reserves \$	Total equity \$
Balance at 1 July 2010	25,896,134	(6,957,922)	624,151	19,562,363
Comprehensive loss for the half-year		(1,585,390)		(1,585,390)
Total comprehensive loss for the half-year		(1,585,390)	-	(1,585,390)
Transactions with owners in their capacity as owners				
Share-based payment expense	-	-	-	-
Subtotal	-	-	-	-
Balance at 31 December 2010	25,896,134	(8,543,312)	624,151	17,976,973
Balance at 1 July 2011	27,752,473	(9,369,973)	624,151	19,006,651
Comprehensive loss for the half-year		(1,228,676)		(1,228,676)
Adjustment to accumulated losses		(3,724)		(3,724)
Total comprehensive loss for the half-year		(1,232,400)	-	(1,232,400)
Transactions with owners in their capacity as owners				
Shares and options issued during the year	4,750,007	-	146,000	4,896,007
Transaction costs	(379,271)	-	-	(379,271)
Subtotal	4,370,736	-	146,000	4,516,736
Balance at 31 December 2011	32,123,209	(10,602,373)	770,151	22,290,987

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	31 Dec 2011	31 Dec 2010
	\$	\$
Cash flows from operating activities		
Interest received	101,982	276,854
Interest and other costs of finance paid	-	(3)
Other revenue	-	16,588
Payments to suppliers and employees	(1,082,804)	(680,437)
Net cash (outflow) from operating activities	<u>(980,822)</u>	<u>(386,998)</u>
Cash flows from investing activities		
Payments for:		
Property, plant & equipment	(35,719)	(92,131)
Exploration expenditure	(2,141,443)	(3,827,405)
Proceeds from:		
Sale of property, plant & equipment	30,000	-
Net cash (outflow) investing activities	<u>(2,147,162)</u>	<u>(3,919,536)</u>
Cash flows from financing activities		
Proceeds from issue of shares	4,750,007	-
Transaction costs from issue of shares	(391,680)	-
Repayment of borrowings	-	(3,664)
Net cash inflow/(outflow) by financing activities	<u>4,358,327</u>	<u>(3,664)</u>
Net increase/(decrease) in cash held	1,230,343	(4,310,198)
Net cash at beginning of the period	<u>1,974,376</u>	<u>10,955,903</u>
Net cash at the end of the period	<u>3,204,719</u>	<u>6,645,705</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose interim financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the Act.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Mindax Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Act.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

NOTE 2 – SEGMENT INFORMATION

The operating segments for the Group have been disaggregated into four reportable segments based on the minerals present in the Projects detailed in the Quarterly Activities Report released to the Australian Securities Exchange each quarter, prepared by the Managing Director. Based on the contents of this report, the four reportable segments identified are:

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

Segment information provided to the directors of the Company for the half-year ended 31 December 2011 is as follows:

Half-year ended	Uranium	Gold	Copper and Gold	Iron Ore	Total
31 December 2011	\$	\$	\$	\$	\$
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	-	(9,423)	(141,536)	-	(150,959)

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Half-year ended 31 December 2010	Uranium \$	Gold \$	Copper and Gold \$	Iron Ore \$	Total \$
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	-	(801,223)	-	(310,288)	(1,111,511)
Total segment assets					
31 December 2011	4,372,385	810,167	874,492	13,399,549	19,456,593
30 June 2011	2,407,053	784,878	920,761	11,460,217	15,572,909

Reconciliation of reportable segment loss to profit before income tax is as follows:

	Consolidated	
	31 Dec 2011 \$	31 Dec 2010 \$
Total profit or loss for reportable segments	(150,959)	(1,111,511)
Intersegment eliminations	-	-
<u>Unallocated amounts</u>		
Finance costs	-	(298)
Interest revenue	97,773	284,184
Other revenue	21,670	16,588
Depreciation and amortisation	(12,672)	(15,743)
Employee benefits expense	(381,722)	(190,319)
Share-based payments	(146,000)	-
Other expenses	(656,766)	(568,291)
Loss before income tax from continuing operations	(1,228,676)	(1,585,390)

Total asset amounts provided to the executive management committee are measured in the same way that they are measured in the financial statements. Segment assets are allocated based on the operations of the segment and the physical location of the assets.

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NOTE 3 – CONTINGENT ASSETS AND LIABILITIES

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

A term deposit of \$124,042 was 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 in any contingent liabilities or contingent assets.

NOTE 4 – DIVIDENDS

No dividends have been paid or declared since the start of the financial period, and none are recommended.

NOTE 5 – EQUITY SECURITIES ISSUED

On 15 August 2011 the Company completed a Renounceable Entitlements Issue offer pursuant to a Prospectus dated 1 July 2011.

Eligible shareholders subscribed for 5,353,674 new shares (together with 5,353,674 free attaching new options on a 1 for 1 basis) at an issue price of \$0.25 per new share. Of the balance not subscribed for 13,646,326 new shares (together with free attaching options on a 1 for 1 basis), reverted to Patersons as partial underwriter to the Entitlements Issue. Patersons agreed to partially underwrite the offer to the extent of \$4.75 million, representing the minimum subscription under the offer.

The Entitlements Issue raised gross proceeds of \$4.75 million with the final number of securities issued totalling 19,000,000 new ordinary shares and 19,000,000 new options.

The new ordinary shares rank equally with existing ordinary shares while the new options formed a new class of quoted securities (ASX: MDXOA).

During the period of the Entitlements Issue, the Company also issued 2 ordinary shares and 7 ordinary shares on 13 July 2011 and 18 July 2011 respectively from the conversion of options with a \$0.75 exercise price and an expiry date of 1 December 2011.

Issue of Employee Shares and Options

On 11 October 2011 the Company issued to unrelated, arm's length employees of the Company 600,000 ordinary shares and 3,500,000 unlisted options. The shares were issued pursuant to the Company's Employee Share Plan, the terms of which were approved at its 2010 AGM. The unlisted options were issued pursuant to the Company's Employee Option Scheme, the terms of which were approved at its 2008 AGM and refreshed at its 2011 AGM.

The Shares were valued at \$0.15 per share pursuant to their market price on the date of issue.

The Unlisted Options were issued in two tranches.

The first tranche of 1,750,000 Unlisted Options were issued with an exercise price of \$0.45 expiring on 30 September 2013. The Options were valued at \$0.014 each using the Black-Scholes option valuation model.

The second tranche of 1,750,000 Unlisted Options were issued with an exercise price of \$0.60 expiring on 30 September 2014. The Options were valued at \$0.018 each using the Black-Scholes option valuation model.

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NOTE 6 – EQUITY SECURITIES CANCELLED

The following options issued by the Company expired on 1 December 2011 without exercise:

1. 64,938,800 listed options with an exercise price of \$0.75.
2. 3,000,000 unlisted options with an exercise price of \$0.75.

NOTE 7 - RELATED PARTY TRANSACTIONS

Greg Bromley

On 15 August 2011 Mindax sold a motor vehicle surplus to its requirements to the Managing Director, Greg Bromley. The vehicle was independently valued and the transaction completed at arm's length.

The Company recognised a profit of \$7,206 on the sale of the motor vehicle.

Gilbert George and Andrew Tsang

On 15 August 2011 the Company completed a Renounceable Entitlements Issue offered pursuant to a Prospectus dated 1 July 2011.

Eligible Shareholders subscribed for 5,353,674 new shares (together with 5,353,674 free attaching new options on a 1 for 1 basis) at an issue price of \$0.25 per new share. Of the balance not subscribed for 13,646,326 new shares (together with free attaching new options on a 1 for 1 basis), reverted to Patersons as partial underwriter to the Entitlements Issue. Patersons agreed to partially underwrite the offer to the extent of \$4.75 million, representing the minimum subscription under the offer.

The Entitlements Issue raised gross proceeds of \$4.75 million; with the final number of securities issued totalling 19,000,000 new ordinary shares (**Shares**) and 19,000,000 new options (**Primary Options**).

Gilbert George, a Director of the Company, agreed to sub-underwrite up to 1,000,000 Shares and Primary Options of the shortfall pursuant to a sub-underwriting arrangement entered into with Patersons. Mr George was paid a fee equal to 3% of the sub-underwritten amount. The sub-underwriting fees were paid by Patersons as per an Underwriting Agreement between Patersons and the sub-underwriter.

Mr George subsequently subscribed for 715,463 Shares and Primary Options to the value of \$178,865.75.

Ms Leai You, the mother of Andrew Tsang who is a Director of the Company and/or her nominee, agreed to sub-underwrite up to a maximum of 15,151,456 Shares and Primary Options if there were no subscribers to the Rights Offer (i.e. 100% Shortfall). If the Rights Offer was partially subscribed, Ms You agreed to sub-underwrite a proportion of the Shares and Primary Options on a pro-rata basis, pursuant to a sub-underwriting agreement entered into with Patersons. Ms You was paid a fee equal to 4.3% of the sub-underwritten amount. The fee was paid by Patersons as per an Underwriting Agreement between Patersons and the sub-underwriter.

Ms You subsequently subscribed for 10,840,313 Shares and Primary Options to the value of \$2,710,078.25.

NOTE 8– EVENTS OCCURRING AFTER THE REPORTING PERIOD

Capital Raising

On 21 February 2012, the Company announced it had secured commitments for a placement of 17,500,000 ordinary fully paid shares at ten (10) cents per share to raise gross proceeds of \$1.75 million (before associated issue costs). The placement was finalised on 28 February 2012. The funds are to be used to advance Mt Forrest prefeasibility studies, further drilling & exploration, and working capital.

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Heads of Agreement

On 28 February 2012, the Company entered into a Heads of Agreement to form a strategic partnership with Japan's Sumitomo Corporation to fast track feasibility and development of the DSO component of Mindax's Mt Forrest Iron Project.

It is proposed that Sumitomo will have the right to acquire up to a 70% interest in the Project by way of farm-in, spending up to \$115 million in stages.

Sumitomo has been granted exclusivity for two months to undertake due diligence. In consideration for such exclusivity, Sumitomo has agreed to pay the Company \$1 million in two equal non-refundable instalments.

Subject to due diligence findings and necessary approvals to proceed with the transaction, the Company and Sumitomo intend to negotiate and execute a Framework Agreement and Joint Venture Agreement to incorporate full terms, and set out the legally binding obligations and rights of the parties with respect to the proposed transaction.

Requisition for Removal of Directors and Appointment of Director

On 5 March 2012, the Company received a requisition from Mr Andrew Tsang, a substantial shareholder and non-executive director of the Company, pursuant to section 249D of the Act, requesting that the Company convene a meeting of shareholders to remove Mr Gregory Bromley and Mr Kenneth Pettit as directors of the Company, and to appoint Mr John Douglas Stacpoole as a director of the Company.

At the time the Company signed this report it was seeking advice in relation to the requisition and will keep shareholders informed in due course in accordance with relevant law.

DECLARATION BY DIRECTORS

In the directors' opinion:

- a) The financial statements and notes, set out on page 10 to 17 are in accordance with the Act and:
 - i. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the consolidated entity's financial position, as at 31 December 2011 and of its performance for the half-year ended on that date, and
- b) There are reasonable grounds to believe that Mindax Limited will be able to pay its debts as and when they become due and payable.

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



Gregory John Bromley
Managing Director

Dated at PERTH this 12th day of March 2012

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MINDAX LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mindax Limited, which comprises the balance sheet as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mindax Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mindax Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mindax Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch
Director

Perth, Western Australia
Dated this 12th day of March 2012