



## ASX ANNOUNCEMENT

27 September 2012

**ASX Code: MDX**

**ABN: 28 106 866 442**

### Corporate Description

Mindax's Mt Forrest Iron Project is progressing through feasibility with a view to mining at the end of 2014.

Mindax is also the greenfields discoverer of a new uranium province near Mukinbudin, Western Australia.

Mindax also has exploration projects based in Western Australia which involve Gold and Copper.

Through technically advanced exploration and an eye for detail, Mindax has successfully built a significant portfolio of 37 mineral exploration and mining tenements covering over 4,000 square kilometres. In addition, Mindax has applications in place for water and infrastructure covering over 2,400 square kilometres in support of the Mt Forrest Iron Project development.

Mindax aims to develop strategic resources through innovative exploration. Projects will be moved to production including via strategic partnerships.

### Key Projects

Mt Forrest	DSO Iron, Magnetite
Yilgarn-Avon JV	Sedimentary Uranium
Mortlock JV	Copper-Gold
Meekatharra	Gold

### Address

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### Investor Enquiries

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## NOTICE OF GENERAL MEETING

The Board of Mindax Limited (**the Company**) will convene a General Meeting of its Shareholders on Thursday, 1 November 2012 at 2:00pm (AWST).

The Notice of Meeting is attached and is currently being dispatched to shareholders.

Shareholders should note that this meeting is **NOT** the Company's Annual General Meeting (**AGM**). The AGM will be held on 29 November 2012. A separate Notice of AGM will be issued to shareholders in due course.

For and on behalf of the Board

**MINDAX LIMITED**

**CHRISTOPHER PUGNAULT**

Company Secretary

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**MINDAX LIMITED**

**ACN 106 866 442**

**NOTICE OF GENERAL MEETING**

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**TIME:** 2:00pm (AWST)

**DATE:** Thursday, 1<sup>st</sup> November 2012

**PLACE:** The Celtic Club  
48 Ord Street  
West Perth, WA 6005

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9485 2600.***

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## **IMPORTANT INFORMATION**

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### **TIME AND PLACE OF MEETING**

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Notice is given that the general meeting of the Shareholders to which this Notice of Meeting relates will be held at 2:00pm (AWST) on Thursday 1 November 2012 at:

The Celtic Club, 48 Ord Street, West Perth in the state of Western Australia.

### **YOUR VOTE IS IMPORTANT**

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The business of the General Meeting affects your shareholding and your vote is important.

### **VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 4:00 pm (AWST) on Tuesday 30 October 2012.

### **VOTING IN PERSON**

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To vote in person, attend the General Meeting at the time, date and place set out above.

### **VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to

exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 17,500,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 8,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – ISSUE OF OPTIONS TO DR STEPHEN WARD

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 10,000,000 Options to Dr Stephen Ward (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Dr Stephen Ward (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

- (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**DATED: 27 SEPTEMBER 2012**

**BY ORDER OF THE BOARD**



**CHRISTOPHER PUGNAULT  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

#### 1.1 General

As announced on 28 February 2012, the Company issued 17,500,000 Shares at an issue price of \$0.10 per Share to raise \$1,750,000.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### 1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 17,500,000 Shares were allotted;
- (b) the issue price was \$0.10 (ten cents) per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to sophisticated and professional investors. None of those subscribers were related parties of the Company; and
- (e) the funds raised from this issue were used for:
  - (i) exploration and development of the Company's projects, in particular the Company's Mt Forrest Iron Project; and
  - (ii) general working capital.

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## 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

### 2.1 General

As announced on 6 September 2012, the Company issued 8,000,000 Shares at an issue price of \$0.085 per Share to raise \$680,000.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary ASX Listing Rules 7.1 and 7.4 is set out in Section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 8,000,000 Shares were allotted and issued;
- (b) the issue price was \$0.085 (eight and a half cents) per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to sophisticated and professional investors. None of those subscribers were related parties of the Company; and
- (e) the funds raised from this issue will be applied to the Company's project activities and to provide working capital.

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## 3. RESOLUTION 3 – ISSUE OF OPTIONS TO DR STEPHEN WARD

### 3.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 10,000,000 Options (**Related Party Options**) to Dr Stephen Ward (**Related Party**) on the terms and conditions set out below.

Pursuant to the executive employment agreement entered into between the Company and Dr Stephen Ward, the 10,000,000 Related Party Options are to be comprised of the following Options:

- (a) 4,000,000 Options on the terms and conditions set out in Schedule 1 (**Class A Options**); and
- (b) 6,000,000 Options on the terms and conditions set out in Schedule 2 (**Class B Options**).

The Related Party Options are to be issued in accordance with the terms of, but outside of, the Company's Employee Option Scheme approved by shareholders at the Company's 2011 Annual General Meeting. The terms and conditions of the Employee Option Scheme are set out in Schedule 3. To the extent of any



inconsistencies between the terms of the Related Party Options and the terms of the Employee Option Scheme, the terms of the Employee Option Scheme will prevail.

### **3.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Dr Stephen Ward is related party of the Company by virtue of being a Director.

### **3.3 ASX Listing Rule 10.11**

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Related Party Options to Dr Stephen Ward.

### **3.4 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related party is Dr Stephen Ward and he is a related party by virtue of being a Director;
- (b) 4,000,000 Class A Options and 6,000,000 Class B Options (being the nature of the financial benefit being provided) is the maximum number of Options to be granted to Dr Stephen Ward;
- (c) the Related Party Options will be granted to the Related Party no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Class A Options are set out in Schedule 1;

- (f) the terms and conditions of the Class B Options are set out in Schedule 2;
- (g) to the extent of any inconsistencies between the terms of the Related Party Options and the terms of the Employee Option Scheme set out in Schedule 3, the terms of the Employee Option Scheme will prevail;
- (h) the value of the Related Party Options and the pricing methodology is set out in Schedule 4;
- (i) the current relevant interests of the Related Party in securities of the Company is set out below:

<b>Related Party</b>	<b>Shares</b>	<b>Options</b>
Dr Stephen Ward	Nil	Nil

- (j) the remuneration and emoluments from the Company to the Related Party for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

<b>Related Party</b>	<b>Current Financial Year</b>	<b>Previous Financial Year</b>
Dr Stephen Ward	\$487,000	Nil <sup>1</sup>

<sup>1</sup> Mr Stephen Ward was appointed as Managing Director and Chief Executive Officer on 30 July 2012.

- (k) if the Related Party Options granted to the Related Party are exercised, a total of 10,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 196,616,911 to 206,616,911 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by 4.84%;
- (l) the market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company;
- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	<b>Price</b>	<b>Date</b>
Highest	20.5 cents	12 September 2011
Lowest	7 cents	5 September 2012
Last	7 cents	11 September 2012

- (n) the primary purpose of the grant of the Related Party Options to Dr Stephen Ward is to provide a performance linked incentive component

in his remuneration package, to motivate and reward his performance in his role as Managing Director and Chief Executive Officer;

- (o) Dr Stephen Ward declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 3 be passed;
- (p) Messrs Benjamin Chow, Gilbert George, Andrew Tsang and Kgai Loh recommend that Shareholders should vote in favour of Resolution 3 for the following reasons:
  - (i) the grant of the Related Party Options to Dr Stephen Ward will align his interests with those of Shareholders;
  - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Party; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or opportunities foregone by the Company in granting the Related Party Options upon the terms proposed;
- (q) with the exception of Dr Stephen Ward, no other Director has a personal interest in the outcome of Resolution 3;
- (r) in forming their recommendations, each Director considered the experience of Dr Stephen Ward, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options;
- (s) in the event that Shareholders do not approve the grant of the Related Party Options to Mr Ward, pursuant to Mr Ward's Executive Service Agreement, the Company and Mr Ward have agreed to meet and negotiate alternative arrangements to provide Mr Ward with an equivalent entitlement; and
- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**AWST** means Western Standard Time as observed in Perth, Western Australia.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means Mindax limited (ACN 106 866 442).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Employee Option Scheme** means the employee option scheme approved by shareholders at the Company's 2011 Annual General Meeting.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF CLASS A OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

The Options will have an exercise price that is 130% of the 5 day volume weighted average share price, calculated at the date of the issue of the Options (**Exercise Price**) and will expire on the date that is 3 years from the date of issue (**Expiry Date**).

(c) **Vesting Date**

The Options will vest after 1 year from the date of issue.

(d) **Exercise Period**

The Options are exercisable at any time after the vesting date and on or prior to the Expiry Date.

(e) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(f) **Timing**

Within 15 Business Days after the later of the following:

- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised the Company will:

- (i) allot and issue the Shares pursuant to the exercise of the unlisted options;
- (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the unlisted options.

If a notice delivered under (f)(iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must no later than thirty (30) days after the date of issue of the Shares lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(h) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Unlisted**

The Options will be unlisted Options.

(m) **Options transferable**

The Options are not transferable.

(n) **Lodgement instructions**

Payment of the Exercise Price shall be in Australian currency made payable to the Company by electronic funds transfer or other means of payment acceptable to the Company. The application for shares on exercise of the Options with the appropriate remittance should be lodged with the Company in the manner provided in the Option certificate.

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF CLASS B OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

The Options have an exercise price of 25 cents (**Exercise Price**) and will expire on the date that is 3 years from the date of issue (**Expiry Date**).

(c) **Vesting Date**

The Options will vest after 1 year from the date of issue.

(d) **Exercise Period**

The Options are exercisable at any time after the vesting date and on or prior to the Expiry Date.

(e) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(f) **Timing**

Within 15 Business Days after the later of the following:

- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised the Company will:

- (i) allot and issue the Shares pursuant to the exercise of the unlisted options;
- (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the unlisted options.

If a notice delivered under (f)(iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than thirty (30) days after the date of issue of the Shares lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do



all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(h) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Unlisted**

The Options will be unlisted Options.

(m) **Options transferable**

The Options are not transferable.

(n) **Lodgement instructions**

Payment of the Exercise Price shall be in Australian currency made payable to the Company by electronic funds transfer or other means of payment acceptable to the Company. The application for shares on exercise of the Options with the appropriate remittance should be lodged with the Company in the manner provided in the Option certificate.

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

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## SCHEDULE 3 – TERMS AND CONDITIONS OF EMPLOYEE OPTION SCHEME

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### 1. DEFINITIONS AND INTERPRETATIONS

1.1 In these terms and conditions, the following words and expressions have the meanings indicated unless the contrary intention appears:

**Associate** of an Employee means:

- (a) a spouse, parent, brother, sister or child of the Employee (**Relative**);
- (b) a body corporate that is effectively controlled by the Employee and the relatives of the Employee; or
- (c) the trustee of a trust that is effectively controlled by one or more of the Employee and the Relatives of the Employee.

**ASX** means ASX Limited.

**Board** means the board of directors of the Company.

**Company** means Mindax Limited.

**Director** means all or some of the Directors acting as a board.

**Employee** means:

- (a) a full-time or part-time employee of the Company; or
- (b) a non-executive director of the Company.

**Listing Rules** means the Official Listing Rules of ASX.

**Market Value** of a Share means:

- (a) the weighted average price of all on market share sales over the 30 days preceding the date the offer of Options is made to the Participant; or
- (b) if the Board adopts another method for determining the market value – the value determined under that method.

**Option** means an option to subscribe for Shares issued under the Scheme.

**Participant** means:

- (a) an Employee who personally holds an Option issued under the Scheme; or
- (b) an Employee whose nominated Associate holds an Option issued under the Scheme;

**Record date** has the same meaning as in the Listing Rules;

**Redundancy** means any situation where the requirements of the Company for an Employee to carry out a particular kind of work (given his or her particular skills) or to carry out certain work in a particular place, have ceased or

diminished (or are likely to do so), but does not extend to the dismissal of an Employee for personal or disciplinary reasons, including for reasons of misconduct or unsatisfactory performance, or where an Employee leaves of his or her own accord.

**Retirement** means retirement by the Participant from employment with the Company at age 55 or over;

**Scheme** means the Mindax Limited Employee Option Scheme constituted by these Terms and Conditions.

**Share** means a fully paid ordinary share in the capital of the Company.

**Total and Permanent Disablement** means that the participant has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

1.2 Words imparting the singular include the plural and vice versa and words denoting a gender include all other genders.

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## 2. ISSUE OF OPTIONS

### 2.1 Eligibility

The Board may offer Options to an Employee having regard to:

- (a) The potential contribution of the Employee to the Company; and
- (b) Any other matters the Board considers relevant.

### 2.2 Nomination of Associate

Upon receipt of an offer of Options an Employee may nominate an Associate to be the person issued with those Options. The Board may, in its absolute discretion, resolve not to issue Options to a nominated Associate without giving any reason.

### 2.3 Acceptance of offers

An Employee or nominated Associate may accept an offer of Options within the time specified in the offer document. No payment is required to accept the offer.

### 2.4 Issue of Options

Options must be issued in accordance with these Terms and Conditions and each Participant and, where relevant, Associate will be taken to have agreed to be bound by these Terms and Conditions on the issue of any Options.

The Company must issue each Participant or nominated Associate with an Option certificate indicating the number of Options issued and the exercise price of the Options.

The Board retains the right to withdraw an offer of Options at any time prior to issuing the Options.

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### **3. MAXIMUM NUMBER OF OPTIONS**

The Board may not offer Options under this Scheme if the total number of Shares the subject of the Options, when aggregated with:

- (a) the number of Shares in the same class which would be issued if each outstanding offer or invitation or option to acquire unissued shares in the Company, being an offer or invitation made or option acquired pursuant to this Scheme or any other employee or executive share scheme, was accepted or exercised; and
- (b) the number of Shares in the same class issued during the previous five years pursuant to this or any other employer or executive share scheme,

(disregarding any offer or invitation made, or option acquired or share issued following the making of an offer or invitation, to a person situated at the time of receipt of the offer or invitation outside Australia or by way of excluded offer or invitation within the meaning of the Corporations Act), would exceed 5% of the total number of issued Shares of the Company as at the time of the proposed offer.

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### **4. ENTITLEMENT**

**4.1** Subject to clauses 8 and 9, each Option entitles the holder to subscribe for and be allotted, credited as fully paid, one Share at the exercise price per Share as defined in clause 4.2.

**4.2** The exercise price per Share is the greater of:

- (a) 120% of the Market Value of Shares on the day the Option is issued;
- (b) 25 cents; or
- (c) any greater exercise price determined by the Board and advised to the Employee when Options are offered to the Employee.

**4.3** Subject to these Terms and Conditions, the Company must allot Shares on exercise of an Option in accordance with the Listing Rules.

**4.4** Shares issued on the exercise of Options will rank equally with all existing Shares in the capital of the Company from the date of issue.

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### **5. EXERCISE OF OPTIONS**

**5.1** An Option shall not be exercisable until after:

- (a) such period or periods (if any) as the Directors may decide; or
- (b) such conditions as the Directors may decide have been satisfied or fulfilled.

**5.2** An Option is exercisable by the holder lodging a notice to exercise the Option and application for Shares in a form approved by the Company, together with payment of the exercise price of each Share to be issued and the relevant Option certificate, with the Company Secretary.

**5.3** Options must be exercised in multiples of 100, unless the holder exercises all Options able to be exercised at that time. The exercise of some Options only

does not affect the holder's right to exercise other Options at a later time. If the holder exercises less than all Options represented by a certificate then the Company will cancel the certificate and issue a new certificate for the balance.

**5.4** Subject to clauses 5.1, 5.4 to 5.7 inclusive, an Option that has not lapsed may be exercised at any time prior to the date which is 3 years after the date the Option is issued.

**5.5** If a Participant ceases to be an Employee;

- (a) 2 years or more after Options are issued in relation to the Participant; or
- (b) because of Retirement, Total and Permanent Disablement, Redundancy, death or any other circumstances approved by the Board,

the options may be exercised within 30 days (or 3 months, in the case of death) after ceasing to be an Employee or any longer period permitted by the Board. If not exercised within that period, the Options lapse.

**5.6** If a Participant ceases to be an Employee and clause 5.4 does not apply, Options issued in relation to the Participant lapse.

**5.7** If the Board determines that:

- (a) a Participant has acted fraudulently, dishonestly or in breach of the Participant's obligations to the Company; and
- (b) Options issued in relation to the Participant are to be forfeited,

the Options will immediately lapse.

**5.8** Notwithstanding any other clause, any Option not exercised will lapse on the expiry of 3 years after the date the Option was issued.

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## **6. TRANSFER**

Options may only be transferred with the approval of the Board. Options will not be quoted on ASX.

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## **7. QUOTATION OF SHARES**

The Company will make application to ASX for official quotation of Shares issued on the exercise of Options, if other Shares of the Company are listed at that time.

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## **8. PARTICIPATION IN FUTURE ISSUES**

**8.1** If the Options are exercised before the record date of an entitlement, the Option Holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the Option Holder of the proposed issue at least nine (9) business days before the record date. Option Holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.

**8.2** In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option

holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

**8.3** The Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Options.

**8.4** In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N+1}$$

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities in the Company into which one option is exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a security under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.

The terms used in this sub-clause and in particular the terms "pro rata issue", "underlying securities" and "market price" shall have the same meanings as in the Listing Rules.

**8.5** The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of the Options. The effect will be that upon exercise of the Options the number of Shares received by the Option Holder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.

**8.6** The Company shall notify each Option Holder and ASX within one (1) month after the record date for a pro-rata bonus or cash issue of the adjustment to the number of Shares over which the Option exists and/or the adjustment to the exercise price.

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## **9. ADVICE**

The Company must give notice to each Participant or his nominated Associate of any adjustment to the number of Shares which the holder is entitled to subscribe for or be issued on exercise of an Option, or any adjustment to the exercise price per Share, in accordance with the Listing Rules.

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**10. NOTICES**

Notices may be given by the Company to the holder or the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modification to notices to holders or Participants.

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**11. RIGHT TO ACCOUNTS**

Holders will be sent all reports and accounts required to be laid before members of the Company in general meeting and all notices of general meetings of members but will not have any right to attend or vote at those meetings.

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**12. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE**

Notwithstanding any Terms and Conditions or the terms of any Option, Options may only be issued or exercised within the limitations imposed by the Corporations Act and the Listing Rules.

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**13. ADMINISTRATION OF THE SCHEME**

**13.1** The Scheme will be administered by the Board in accordance with these Terms and Conditions. The Board may make regulations for the operation of the Scheme which are consistent with these Terms and Conditions.

**13.2** Any power or discretion which is conferred on the Board by these Terms and Conditions may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

**13.3** Any power or discretion which is conferred on the Board by these Terms and Conditions may be delegated by the Board to a committee consisting of such Directors as the Board thinks fit.

**13.4** The decision of the Board as to the interpretation, effect or application of these Terms and Conditions will be final and conclusive.

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**14. AMENDMENTS**

These Terms and Conditions may only be amended, subject to the Listing Rules, by special resolution of the Company in general meeting.

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**15. RIGHTS OF PARTICIPANTS**

Nothing in these Terms and Conditions:

- (a) confers on any Employee or Associate the right to receive any Options;
- (b) confers on any Participant the right to continue as an Employee;
- (c) affects any rights which the Company or a subsidiary may have to terminate the employment of any Employee; or
- (d) may be used to increase damages in any action brought against the Company or a subsidiary in respect of any such termination.

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**16. QUOTATION OF OPTIONS**

The Company will not seek quotation on ASX of Options issued pursuant to the Scheme.

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**17. TAX LIABILITY**

The Company shall have no liability for any tax imposed on any Employee or Associate as a result of any issue of Options pursuant to the Scheme.

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**18. GOVERNING LAW**

The rights and obligations pursuant to this Scheme shall be construed in accordance with the laws of Western Australia.

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**19. GRIEVANCE PROCEDURES**

**19.1** If any grievance arises between the Company and any Participant, it must be dealt with in the following manner:

- (a) The matter must first be discussed with the Managing Director and the Participant;
- (b) If the matter is not resolved, the parties shall submit the matter to an agreed mediator for the purposes of conciliation and mediation in which case costs shall be borne equally between the Company and the Participant;
- (c) If the matter is not resolved to the satisfaction of both parties in accordance with clause 19.1(b) , the Company and the Participant shall submit the dispute to arbitration in accordance with clause 19.2.
- (d) The Company and the Participant shall ensure that the procedures to be followed pursuant to this clause are carried out expeditiously and in any event within 30 days of any grievance arising.

**19.2** If agreement cannot be reached in accordance with the procedures outlined in clause 19.1, then the dispute shall be determined by an arbitrator determined by agreement of the parties and if agreement cannot be reached, by an arbitrator appointed by the President of the Law Society of Western Australia. The arbitration shall be carried out in accordance with the provisions of the Commercial Arbitration Act 1985 (Western Australia) and the determination of the arbitrator shall be final and binding.



## SCHEDULE 4 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to Dr Stephen Ward pursuant to Resolution 3 have been valued by Stantons International Securities.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Related Party Options	Class A Options	Class B Options
<b>Assumptions:</b>		
Valuation date	24 September 2012	24 September 2012
Market price of Shares	6 cents	6 cents
Exercise price	7.80 cents (130% of the 5 day VWAP)	25 cents
Expiry date (length of time from issue)	3 years from issue	3 years from issue
Volatility	100	100
Risk free interest rate	2.5%	2.5%
<b>Indicative value per Option</b>	3.46 cents	2.05 cents
<b>Value of the Class A and B Options</b>	\$138,400	\$123,000
<b>Total Value of all Related Party Options</b>	\$261,400	

Note: The valuation noted above is not necessarily the market price of the Related Party Options and is not automatically the market price for taxation purposes.

## PROXY FORM

**APPOINTMENT OF PROXY  
MINDAX LIMITED  
ACN 106 866 442**

### GENERAL MEETING

I/We

of

being a member of Mindax Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 2:00pm (AWST) on Thursday 1 November 2012 at The Celtic Club, 48 Ord Street West Perth WA 6005, and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

#### Voting on Business of the General Meeting

Resolution 1 – Ratification of Prior Issue of Shares

FOR

AGAINST

ABSTAIN

Resolution 2 – Ratification of Prior Issue of Shares

Resolution 3 – Issue of Options Dr Stephen Ward

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

#### Important for Resolution 3

\_\_\_\_\_ %

If a member of the Key Management Personnel or Closely Related Party of such a member is your proxy you must direct your proxy how to vote on Resolution 3 unless that person is also the Chair in which case you must, in the absence of a direction how to vote, expressly authorise the Chair to exercise the proxy by marking the box below.

I/we direct the Chair to vote in accordance with his voting intentions on Resolution 3 (except where I/we have indicated a different voting intention above) and acknowledge that the Chair may exercise my/our proxy even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 3.**

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

Signature of Member(s):

Date:

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

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**Instructions for Completing 'Appointment of Proxy' Form**

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1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at a General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Mindax Limited, PO Box 92, West Perth, WA 6872; or
  - (b) facsimile to the Company on facsimile number +61 8 9485 2500; or
  - (c) email to the Company at [info@mindax.com.au](mailto:info@mindax.com.au),

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**