



ASX ANNOUNCEMENT

26 March 2013

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	Iron
Yilgarn-Avon JV	Sedimentary Uranium
Mortlock JV	Copper-Gold
Meekatharra	Gold

Address

Level 2, 25 Richardson Street
West Perth WA 6005

Telephone: +61 8 9485 2600

Facsimile: +61 8 9485 2500

Email: info@mindax.com.au

Investor Enquiries

Steve Ward

Managing Director and Chief Executive Officer

Telephone: +61 8 9485 2600

Email: info@mindax.com.au

Media Enquiries

David Utting

Mobile: +61 416 187 462

Email: david@davidutting.com

STRATEGIC PARTNERSHIP PROPOSED FOR THE MT FORREST IRON PROJECT

HIGHLIGHTS

- Strategic partnership proposed between Mindax Limited (**Mindax**) and Hong Kong's Perpetual Mining Holding Limited (**PMHL**) for the Mt Forrest Iron Project (**the Project**).
- Memorandum of Understanding (**MOU**) signed by the parties to cover the terms in which PMHL will acquire up to 51% interest in the Project's DSO rights and up to 49% in the Project's Magnetite rights.
- PMHL will spend up to circa \$52M by way of farm-in to fast track the development of the Project.
- PMHL has also been granted exclusivity to undertake due diligence. PMHL has agreed to pay Mindax \$250K per month for this period (anticipated to take 2 months).
- Subject to due diligence findings, Mindax and PMHL intend to enter into a comprehensive binding joint venture agreement. This will be conditional on obtaining the necessary statutory and shareholder approvals. It will replace the MOU which is non-binding.
- PMHL has extensive business connections in China including experience with iron ore mining.

Mindax Limited (**Mindax or the Company**) refers to the announcements released to the market on 24 January 2013 and 6 March 2013 and is pleased to announce that it and its wholly owned subsidiary, Yilgiron Pty Ltd, propose to form a strategic partnership with Perpetual Mining Holding Limited (**PMHL**) for the Mt Forrest Iron Project.

PMHL is a Hong Kong based investment company with significant business connections within China. This includes detailed experience with iron ore production and within the iron ore industry in general. PMHL is supported by some existing Mindax investors who have introduced PMHL to the Company. These include those investors with whom Mindax has formed the Meekatharra Gold Project farm-in Joint venture. They have further demonstrated their support for Mindax by setting up PMHL to enable the proposed strategic partnership between Mindax and PMHL for the development of Mt Forrest.

Mindax and PMHL have signed a non-binding Memorandum of Understanding (**MOU**) aimed at creating a strategic partnership for the Mt Forrest Iron Project (**the Project**) and to fast track feasibility and development of the Project.

A summary of the principal terms of the MOU follows:

- PMHL is considering acquiring, by way of farm-in, up to a 51% interest in the Project's DSO rights and up to a 49% interest in the Project's Magnetite rights by contributing a total of circa \$52 million in relation to the feasibility and development of the DSO component of the Project (**the Transaction**).
- PMHL has also been granted exclusivity (under a separate agreement) to undertake due diligence on the Project to decide whether to proceed with the Transaction. It is anticipated that such due diligence will take two months to complete. In consideration for such exclusivity, PMHL has agreed to pay Mindax \$0.250 million per month during the period of due diligence, payable monthly in advance.
- During the 'Scoping Study optimisation proof of concept' and 'feasibility' study stages (collectively, **the Feasibility**) of the DSO component of the Project (if PMHL decides to proceed with the Transaction) it is proposed PMHL will have the entitlement to acquire a 20% interest in both the DSO and Magnetite rights of the Project through incurring certain expenditure of up to circa \$17 million to assess the Feasibility of the DSO component of the Project.
- During the development stage of the DSO component of the Project (if applicable), it is proposed PMHL will have the entitlement to acquire a further 31% in the Project's DSO rights and 29% in the Project's Magnetite rights (i.e. an aggregate of 51% in the DSO rights and 49% in the Magnetite rights) through incurring certain further expenditure of up to circa \$35 million to develop the DSO component of the Project.
- Subject to due diligence findings, the parties intend to enter into binding joint venture documents, which will be conditional on all further Board, statutory and shareholder approvals required to proceed with the Transaction.

Dr Steve Ward, Managing Director & CEO of Mindax Limited, commented as follows:

"We are delighted with this proposed strategic partnership with PMHL. We appreciate the support from some of our existing Mindax shareholders in the development of the proposed transaction. Mindax is looking forward to working with PMHL to unlock the value of the Mt Forrest Iron Project for Mindax and PMHL shareholders. It allows a logical and manageable incremental development of a major iron ore project in the Yilgarn Iron Province with a long life. We expect Mt Forrest to form a significant component of the mining economy of the area. We will now be able to drive forward the Mt Forrest project with all pace. This emphasises the urgency and importance of upgrading the logistics infrastructure in the Gold-fields - Esperance region including the rail network and the Esperance port. The proposed transaction represents a major step in the evolution of Mindax from explorer to mining house."

This is the announcement referred to in the Company's request for a trading halt dated 24 March 2013.

End of Announcement

For further information contact:

Steve Ward, Managing Director & CEO
Mindax Limited
Telephone: +61 8 9485 2600

Media:

David Utting
David Utting Corporate
Telephone: +61 416 187 462