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**MINDAX LIMITED**

**ACN 106 866 442**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 1:30pm (WST)

**DATE:** 14 November 2013

**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 meeting of the Shareholders to which this Notice of Meeting relates will be held at 1:30pm (WST) on 14 November 2013 at:

The Celtic Club

48 Ord Street

West Perth WA 6005

### **YOUR VOTE IS IMPORTANT**

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The business of the 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 Meeting are those who are registered Shareholders at 5:00pm (WST) on 12 November 2013.

### **VOTING IN PERSON**

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To vote in person, attend the 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.

Members are advised that in accordance with sections 250BB and 250BC of the Corporations Act:

- 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 are 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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#### FINANCIAL STATEMENTS AND REPORTS

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To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2013.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BENJAMIN CHOW

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

*“That, for the purposes of clause 13.2 of the Constitution and for all other purposes, Mr Benjamin Chow, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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### 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR ANDREW TSANG

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

*“That, for the purposes of clause 13.2 of the Constitution and for all other purposes, Mr Andrew Tsang, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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### 4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR YONGGANG LI

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

*“That, for the purposes of clause 13.4 of the Constitution and for all other purposes, Mr Yonggang Li, a Director who was appointed on 18 April 2013, retires, and being eligible, is re-elected as a Director.”*

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### 5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES (JANUARY PLACEMENT)

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 16,500,000 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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### 6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES (FEBRUARY PLACEMENT)

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 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 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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### 7. RESOLUTION 7 – ADOPTION OF EMPLOYEE SHARE PLAN

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Share Plan and for the issue of securities*

*under that Plan, 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 Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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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## **8. RESOLUTION 8 – ADOPTION OF EMPLOYEE INCENTIVE OPTION PLAN**

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Option Plan and for the issue of securities under that Plan, 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 Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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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## **9. RESOLUTION 9 – ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTE**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 5,000,000 Shares to Ms Lai You (or her nominee) at an issue price of \$0.12 per Share upon the conversion of a Convertible Note on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Ms Lai You (and her nominee) and any of their 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.

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## **10. RESOLUTION 10 – ISSUE OF OPTIONS TO RELATED PARTY – 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 Company to issue 6,000,000 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 (and his nominee) and any of their 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.

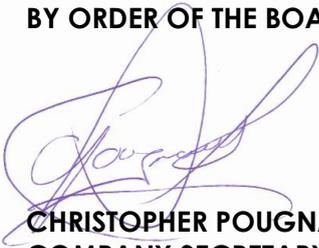
However, the above prohibition does not apply if:

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

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**DATED: 7 OCTOBER 2013**

**BY ORDER OF THE BOARD**



**CHRISTOPHER POUGNAULT  
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. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.mindax.com.au](http://www.mindax.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy***

***You must direct your proxy how to vote on this Resolution.*** Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member)***

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

***If you appoint any other person as your proxy***

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

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## 3. RESOLUTIONS 2 TO 4 – RE-ELECTION OF DIRECTORS

### 3.1 General

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has six Directors and accordingly two must retire.

Mr Benjamin Chow and Mr Andrew Tsang, the Directors longest in office since their last election, retire by rotation and seek re-election under Resolutions 2 and 3.

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Yonggang Li, who was appointed on 18 April 2013, will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election under Resolution 4.

### **3.2 Mr Benjamin Chow**

Mr Benjamin Chow has been a Director since 6 October 2009.

Mr Chow is a distinguished Australian, who has a business background in engineering, property development and leadership in the Chinese and Australian financial sectors. Mr Chow has worked continuously in the land development industry both in Australia and South East Asia since 1968, having immigrated to Australia in 1962. He chaired the Council for Multicultural Australia which assists the Australian Government implement its multicultural policies. He has previously served as President of Australian Chinese Community Association of NSW, President of Chinese Australian Forum of NSW and Vice-President of the Ethnic Communities Council of NSW. Mr Chow is a past member of the Council of National Museum of Australia, a member of the Bond University Council, President of Sydney University Nerve Research Foundation, a Trustee and Chairman of Australian Chinese Charity Foundation and a Director of Chain Reaction Foundation Ltd.

Mr Benjamin Chow was also a director of Invocare Limited (until 16 August 2013), an ASX listed company.

### **3.3 Mr Andrew Tsang**

Mr Andrew Tsang has been a Director since 28 March 2008.

Mr Tsang is a naturalised Australian citizen who was born and educated in China and who has successfully established and run construction, engineering and property development businesses both in China and Australia as well as establishing successful import agencies for Australian manufactured goods into China. He has sound commercial connections with many leading Chinese heavy industry producers including participants in the Chinese steel manufacturing industry.

### **3.4 Mr Yonggang Li**

Mr Yonggang Li was appointed as a Director on 18 April 2013.

Mr Li is a widely experienced Chinese businessman with significant exposure to iron ore mining and the Chinese market in general. He graduated in Electronic Accounting from the Hebei Economic and Trade University in China and subsequently qualified as a certified public accountant. His initial career included involvement with independent financial auditing of companies and major projects. Subsequently, Mr Li has been the chairman of companies involved in engineering and construction, investment in minerals and iron ore mining.

In 2011, Mr Li acquired a company in China producing iron, titanium and vanadium concentrates.

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#### **4. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES (JANUARY PLACEMENT)**

##### **4.1 General**

On 14 January 2013, the Company issued 16,500,000 Shares at an issue price of \$0.10 per Share to raise \$1,650,000.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**January 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.

##### **4.2 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 January Ratification:

- (a) 16,500,000 Shares were issued;
- (b) the issue price was \$0.10 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 issued to sophisticated and professional investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for working capital purposes.

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#### **5. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES (FEBRUARY PLACEMENT)**

##### **5.1 General**

On 7 February 2013, the Company issued 5,000,000 Shares at an issue price of \$0.10 per Share to raise \$500,000.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**February Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 4.1 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.

## 5.2 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 February Ratification:

- (a) 5,000,000 Shares were issued;
- (b) the issue price was \$0.10 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 issued to a sophisticated investor. The subscriber is not a related party of the Company; and
- (e) the funds raised from this issue were used for working capital purposes.

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## 6. RESOLUTION 7 – APPROVAL OF EMPLOYEE SHARE PLAN

### 6.1 Background

The Company has an existing employee share plan approved by Shareholders at an annual general meeting held on 18 November 2010. The approval for that plan will expire on 18 November 2013 and from that date the Company will be without an exempt employee share plan that it can rely upon as an exception to ASX Listing Rule 7.1.

The Company considers it appropriate to adopt a new employee share plan at this time, which is suited to the Company's current circumstances.

### 6.2 General

Resolution 7 seeks Shareholder approval for the adoption of the employee incentive scheme titled Employee Share Plan (**Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue a limited number of Shares under the Share Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The objective of the Share Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Share Plan and the future issue of Shares under the Share Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Non-executive Directors are not eligible to participate in the Share Plan.

Any future issues of Shares under the Share Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

### **6.3 Information required by the ASX Listing Rules**

A summary of the key terms and conditions of the Share Plan is set out in Schedule 1. In addition, a copy of the Share Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Shareholders should note that no Shares have previously been issued under the Share Plan.

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## **7. RESOLUTION 8 – APPROVAL OF EMPLOYEE INCENTIVE OPTION PLAN**

### **7.1 Background**

The Company has an existing employee incentive option plan approved by Shareholders at an annual general meeting held on 17 November 2011. The approval for that plan will expire on 17 November 2014.

The Company considers it appropriate to adopt a new employee incentive option plan at this time, which is suited to the Company's current circumstances and to also ensure the plan is up to date with current legislative and regulatory requirements.

### **7.2 General**

Resolution 8 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Incentive Option Plan (**Option Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above and a summary of ASX Listing Rule 7.2 (Exception 9(b)) is set out in section 6.2 above.

If Resolution 8 is passed, the Company will be able to issue a limited number of Options under the Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The objective of the Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Non-executive Directors are not eligible to participate in the Option Plan.

Any future issues of Options under the Option Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

### 7.3 Information required by the ASX Listing Rules

A summary of the key terms and conditions of the Option Plan is set out in Schedule 2. In addition, a copy of the Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Option Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Shareholders should note that no Options have previously been issued under the Option Plan. No Options were issued under the Company's existing employee incentive option plan since it was last approved by Shareholders.

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## 8. RESOLUTION 9 – ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTE

### 8.1 Background

On 22 August 2013, the Company granted a convertible note to Ms Lai You (or her nominee) on the terms and conditions set out in Schedule 3 (**Convertible Note**). The Convertible Note is being issued in consideration for Ms Lai You providing a loan of \$600,000 to the Company.

The Convertible Note will convert into 5,000,000 Shares at a deemed issued price of \$0.12 per Share upon Shareholder approval being obtained pursuant to this Resolution 9 (**Conversion Shares**).

A summary of the key terms of the Convertible Note are as follows:

- (a) the face value of the Convertible Note is \$600,000;
- (b) the Convertible Note shall convert into Shares at a deemed issue price of \$0.12 per Share (resulting in 5,000,000 Shares being issued upon conversion of the Convertible Note) within three Business Days following a meeting at which Shareholders approve the conversion of the Convertible Note into Shares;
- (c) if the Convertible Note is not converted in accordance with paragraph (b) above, the face value of the Convertible Note, being the sum of \$600,000, will be repaid without deduction or counterclaim on 31 January 2014;
- (d) no interest will be payable on the Convertible Note unless Shareholder approval to the conversion of the Convertible Note is not obtained at this Annual General Meeting, in which case the interest will accrue at the rate of 9% per annum. Any interest accrued will be payable in cash;
- (e) Ms Lai You may demand immediate repayment of the Convertible Note, together with all accrued interest, if, amongst other things, the Company fails to issue the Shares on the conversion of the Convertible Note;
- (f) the Convertible Note is unsecured;
- (g) all Shares issued pursuant to the conversion of the Convertible Note will rank equally with the Company's existing ordinary fully paid shares; and
- (h) the Convertible Note contains other standard terms and conditions outlined in Schedule 3.

Ms Lai You is a related party of the Company by virtue being a Mr Andrew Tsang's (a Director) mother. Accordingly, Resolution 9 seeks Shareholder approval for the issue of the Conversion Shares to Ms Lai You (or her nominee) upon conversion of the Convertible Note.

## **8.2 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 conversion of the Convertible Note will result in the issue of Shares which constitutes giving a financial benefit and Ms Lai You is a related party of the Company by virtue being a Mr Andrew Tsang's (a Director) mother.

The Directors (other than Mr Andrew Tsang who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to Ms Lai You on conversion of the Convertible Note as they consider the terms of the Convertible Note and the issue of the Shares pursuant to the Convertible Note to be commercially reasonable and was negotiated at arm's length.

## **8.3 ASX Listing Rule 10.11**

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.

As the conversion of the Convertible Note involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## **8.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 9:

- (a) the Shares will be issued to Ms Lai You (or her nominee);
- (b) the maximum number of Shares to be issued is 5,000,000;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur within three business days after the conversion of the Convertible Note;

- (d) the Shares will be issued for nil cash consideration as they are being issued in satisfaction of a loan of \$600,000. The deemed issue price will be \$0.12 per Share;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares as the Shares are being issued in satisfaction of a loan of \$600,000. The funds received from the loan will be applied towards further exploration and development of the Company's current projects and general working capital.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Shares to Ms Lai You (or her nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 9. RESOLUTION 10 – ISSUE OF OPTIONS TO RELATED PARTY – DR STEPHEN WARD

### 9.1 General

Pursuant to the employment agreement between the Company and Dr Stephen Ward, the Company agreed to issue a total of 10,000,000 Options to Dr Ward. At a general meeting of Shareholders held on 1 November 2012, the Company's Shareholders approved the issue of the 10,000,000 Options to Dr Ward.

On 9 November 2012, the Company announced to the ASX that 4,000,000 of the Options had been issued to Dr Ward. However, Dr Ward declined the remaining 6,000,000 Options due to an Interpretative Decision issued by the Australian Taxation Office relating to the treatment of employee options under the Fringe Benefits Tax regime. Accordingly, the 6,000,000 Options were not issued to Dr Ward.

In lieu of the 6,000,000 Options which were previously not issued to Dr Ward, the Company has agreed, subject to obtaining Shareholder approval, to issue a total of 6,000,000 Options (**Related Party Options**) to Dr Stephen Ward (or his nominee) on the terms and conditions set out below.

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 a related party of the Company by virtue of being a Director.

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 Company 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 Related Party Options to Dr Stephen Ward.

## 9.2 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) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to Dr Stephen Ward is 6,000,000 Related Party Options;
- (c) the Related Party Options will be granted to Dr Stephen Ward 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 Related Party Options are set out in Schedule 4;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 5;
- (g) the current relevant interests of Dr Stephen Ward in securities of the Company are set out below:

Related Party	Shares	Options
Dr Stephen Ward	Nil	4,000,000 <sup>1</sup>

<sup>1</sup> 4,000,000 unlisted Options exercisable at \$0.108 each on or before 9 November 2015 and vesting on 9 November 2013.

- (h) the remuneration and emoluments from the Company to Dr Stephen Ward for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year <sup>1</sup>	Previous Financial Year <sup>1</sup>
Dr Stephen Ward	\$491,454	\$490,330

<sup>1</sup> Consists of fixed wages, motor vehicle allowance and statutory superannuation. The deemed value of the Options detailed in (g) above are not included in this figure.

- (i) if the Related Party Options granted to Dr Stephen Ward are exercised, a total of 6,000,000 Shares would be issued. This will increase the number of Shares on issue from 252,303,570 to 258,303,570 (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 2.32%.

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.

- (j) 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	15 cents	27 & 28 March 2013 and 2 & 3 April 2013
Lowest	6.1 cents	4, 5 & 8 October 2012
Last	10.5 cents	4 October 2013

- (k) the primary purpose of the grant of the Related Party Options to Dr Stephen Ward is to provide a performance linked incentive component in the remuneration package for Dr Stephen Ward to motivate and reward the performance of Dr Stephen Ward in his role as Managing Director and Chief Executive Officer of the Company;
- (l) Dr Stephen Ward declines to make a recommendation to Shareholders in relation to Resolution 10 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 10 be passed.
- (m) with the exception of Dr Stephen Ward, no other Director has a personal interest in the outcome of Resolution 10;
- (n) Mr Gilbert George recommends that Shareholders vote in favour of Resolution 10 for the following reasons:
- (i) the grant of the Related Party Options to Dr Stephen Ward, will align the interests of Dr Stephen Ward 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 Dr Stephen Ward; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (o) Mr Benjamin Chow recommends that Shareholders vote in favour of Resolution 10 for the reasons set out in paragraph (n);
- (p) Mr Yonggang Li recommends that Shareholders vote in favour of Resolution 10 for the reasons set out in paragraph (n);

- (q) Mr Kgai Mun Loh recommends that Shareholders vote in favour of Resolution 10 for the reasons set out in paragraph (n);
- (r) Mr Andrew Tsang recommends that Shareholders vote in favour of Resolution 10 for the reasons set out in paragraph (n);
- (s) 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; 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 10.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to Dr Stephen Ward as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to Dr Stephen Ward 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.

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

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

**ASX** means ASX Limited.

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

**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.

**Chair** means the chair of the Meeting.

**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) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

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

**Convertible Note** has the meaning given in section 8.1 of the Explanatory Statement.

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

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option or Related Party Option as the context requires.

**Option Plan** means the employee incentive option plan the subject of Resolution 8 and as summarised in Schedule 2.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

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

**Related Party Option** means an Option granted pursuant to Resolution 10 with the terms and conditions set out in Schedule 4.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.

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

**Share Plan** means the employee share plan the subject of Resolution 7 and as summarised in Schedule 1.

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

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

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

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## SCHEDULE 1 – SUMMARY OF EMPLOYEE SHARE PLAN

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The key terms of the Employee Share Plan are as follows:

- (a) **Eligibility:** Participants in the Share Plan may be Executive Directors, full-time and part-time employees of the Company or any of its subsidiaries or any other person permitted to participate in the Share Plan without requiring compliance with Chapters 6D.2, 6D.3 (except section 736) and 7.9 of the Corporations Act (**Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Share Plan and has a broad discretion to determine which Participants will be offered Shares under the Share Plan.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Share Plan. The offer:
  - (i) will invite application for the number of Shares specified in the offer;
  - (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
  - (iii) will specify any restriction conditions applying to the Shares;
  - (iv) will specify an acceptance period; and
  - (v) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be determined by the Board in its absolute discretion.
- (e) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered.
- (f) **Unfulfilled Restriction Condition:** Where a restriction condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board, either:
  - (i) where the Shares were issued for cash consideration, use its best endeavours to buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares; or
  - (ii) where the Shares were issued for no cash consideration, buy back the relevant Shares within 12 months of the date the Restriction Condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to \$0.0001 per Share.
- (g) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buy-back of the Participant's Shares in accordance with the Share Plan.

- (h) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Share Plan when aggregated with:
- (i) the number of Shares issued during the previous 5 years under the Share Plan (or any other employee share plan extended only to Eligible Employees); and
  - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with the relevant ASIC Class Orders).

- (i) **Restriction on transfer:** Participants may not sell or otherwise deal with a Share until any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
- (j) **Quotation on ASX:** The Company will apply for each Share issued under the Plan to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
- (k) **Rights attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Share Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

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## SCHEDULE 2 – SUMMARY OF EMPLOYEE INCENTIVE OPTION PLAN

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The key terms of the Employee Incentive Option Plan are as follows:

- (a) **Eligibility:** Eligible persons under the Option Plan include:
- (i) Executive Directors of the Company or any associated body corporate of the Company;
  - (ii) full or part time employees of the Company or any associated body corporate of the Company; or
  - (iii) any other person permitted to participate in the Plan without requiring compliance with Chapters 6D.2, 6D.3 (except section 736) and 7.9 of the Corporations Act.
- (Eligible Participants).**
- (b) **Consideration:** Options issued under the Option Plan will be issued for nil cash consideration.
- (c) **Conversion:** Each Option will entitle the holder to subscribe for and be issued one Share ranking equally in all respect with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price (if any) and expiry date of an Option offered under an offer will be determined by the Board in its discretion.
- (e) **Exercise Restrictions:** The Options granted under the Option Plan may be subject to such conditions as determined by the Board in its discretion (**Exercise Conditions**) which must be satisfied (unless waived by the Board in its absolute discretion) before the Option can be exercised. Any restrictions imposed by the Directors must be set out in the offer for the Options.
- (f) **Lapsing of Incentive Options:** Subject to the terms of the Offer made to an Eligible Participant, an unexercised Option will lapse:
- (i) on its expiry date;
  - (ii) if any Exercise Condition is unable to be met; and
  - (iii) subject to certain exceptions, on the Eligible Participant ceasing to be an employee or Director of the Company or an associated body corporate of the Company.
- (g) **Share Restriction Period:** A Share issued on the exercise of an Option may be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the Options.
- (h) **Disposal of Options:** Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise.
- (i) **Trigger Events:** The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover or entry into a scheme of arrangement).

(j) **Participation in Rights Issues and Bonus Issues:**

- (i) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option exercise price shall be reduced according to the formula specified in the ASX Listing Rules.
- (ii) In the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

(k) **Reorganisation:** If at any time the capital of the Company is reorganised, the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(l) **Limitations on Offers:** The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of Options offered under an offer when aggregated with:

- (i) the number of Shares that would be issued if each outstanding offer for Shares, units of Shares or options to acquire Shares under an employee share scheme of the Company were to be exercised or accepted; and
- (ii) the number of Shares issued during the previous 5 years from the exercise of Options issued under the Option Plan (or any other employee share scheme of the Company extended only to Eligible Participants),

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with ASIC Class Order 03/184).

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## SCHEDULE 3 – TERMS AND CONDITIONS OF CONVERTIBLE NOTE

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The terms and conditions of the Convertible Note (**Note**) are as follows:

- (a) If not converted under clause (c), the face value of the Note being the sum of \$600,000 will be repaid without deduction or counterclaim on 31 January 2014 (**Expiry Date**).
- (b) No interest will be payable on the Note unless shareholder approval to the conversion of the Note is not obtained in accordance with clause (c) as soon as practicable following the issue of the Note and in any event at the Company's 2013 Annual General Meeting, in which case interest will accrue at the rate of 9% per annum, capitalised monthly from the date of issue of the Note until the date of actual repayment.
- (c) The Note shall convert into ordinary fully paid shares (**Shares**) in the capital of the Company at the Issue Price set out in clause (d) below, within three Business Days following the meeting at which Shareholders approve the conversion of the Note into Shares for the purpose of Listing Rules 7.1 or 10.11 of the ASX Listing Rules, and for all other purposes. The Note will not convert and it will be a condition precedent to its conversion into Shares that Shareholder approval to its conversion be obtained as soon as practicable following the issue of the Note and in any event by not later than the Company's 2013 Annual General Meeting.
- (d) The "Issue Price" is \$0.12 per Share.
- (e) The Note is unsecured.
- (f) The Noteholder may demand immediate repayment of the Note together with all accrued interest and the Company must immediately make the total payment so requested in cash upon the occurrence of any of the following events:
  - (i) the Company fails to issue the Shares on the conversion of the Note in accordance with clause (c).
  - (ii) the Company fails to perform any other undertaking or obligation of it under the Note and that failure is not remediable;
  - (iii) if the failure described in clause (f)(ii) is remediable, and the Company does not remedy the failure within five Business Days after receipt by the Company of a notice from the Noteholder specifying the failure;
  - (iv) a judgment in an amount exceeding \$500,000.00 is obtained against the Company and is not set aside or satisfied within 15 business days;
  - (v) a distress, attachment, execution or other process is issued against, levied or entered upon an asset of the Company in an amount exceeding \$500,000.00 and is not set aside or satisfied within 15 business days;
  - (vi) any of the following occur:
    - (A) an order is made; or
    - (B) a resolution is passed; or
    - (C) any steps are taken to pass a resolution for the winding up of the Company;

- (vii) any of the following occur:
    - (A) an administrator is appointed, or any steps are taken to appoint an administrator; or
    - (B) a resolution to appoint an administrator is passed, or any steps are taken to pass a resolution to appoint an administrator,
 to the Company;
  - (viii) the Company is deregistered, or any steps are taken to deregister it or the Company;
  - (ix) the Company suspends payment of its debts generally;
  - (x) the Company is:
    - (A) unable to pay its debts when they are due; or
    - (B) deemed to be unable to pay its debts under applicable legislation;
  - (xi) the Company enters into or resolves to enter into any arrangement, or composition or compromise with, or assignment for the benefit of any of its creditors; or
  - (xii) the Company ceases to carry on business.
- (g) All Shares issued pursuant to the conversion of the Note will be allotted within 5 Business Days after the conversion of the Note and will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for official quotation by ASX of all Shares issued upon conversion of the Note on or before the fifth Business Day on which ASX is open after the date of allotment of the Shares. The Company will procure that a holding statement for the Shares is given to the Noteholder in accordance with the ASX Settlement Operating Rules. The Company will issue a Cleansing Notice pursuant to Section 708A of the *Corporations Act 2001* (Cth) with respect to the issue of Shares on conversion of the Note.
- (h) There are no participating rights or entitlement inherent in the Note and the Noteholder in its capacity as such will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Note.
- (i) In the event of reorganisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Shares into which the Note is convertible shall be reorganised (as appropriate) in the manner required by the ASX Listing Rules with respect to options.
- (j) If and to the extent any of the preceding terms and conditions are inconsistent with the ASX Listing Rules, such rules will prevail in all respects to the extent of the inconsistency.
- (k) These terms and conditions are governed by the laws of the State of Western Australia and the Noteholder unconditionally submits to the jurisdiction of the courts of that State and courts of appeal from them.
- (l) The Noteholder may transfer the Note to any related party (as defined in the *Corporations Act 2001* (Cth) of the Noteholder for the time being.

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## SCHEDULE 4 – TERMS AND CONDITIONS OF RELATED PARTY 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) **Consideration**

The Options will be granted for nil cash consideration.

(d) **Issue Date**

The Options will be granted no later than 1 month after the date of shareholder approval (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). It is anticipated the Options would be issued all at once (i.e. on the same date).

(e) **Vesting Date**

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

(f) **Exercise Period**

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

(g) **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.

(h) **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 (h)(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.

(i) **Shares issued on exercise**

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

(j) **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.

(k) **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.

(l) **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.

(m) **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.

(n) **Unlisted**

The Options will be unlisted Options.

(o) **Options transferable**

The Options are not transferable.

(p) **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.

(a) **Compliance with Employee Option Scheme**

The Options are to be issued in accordance with the terms of, but outside of, the Company's Employee Option Scheme in force at the time of issue of the Options.

To the extent of any inconsistencies between the terms of the Options and the terms of the Company's Employee Option Scheme, the terms of the Employee Option Scheme will prevail.

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**SCHEDULE 5 – VALUATION OF RELATED PARTY OPTIONS**

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The Related Party Options to be issued to Dr Stephen Ward pursuant to Resolution 10 have been independently valued.

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

<b>Assumptions:</b>	
Valuation date	4 September 2013
Market price of Shares	8.7 cents
Exercise price	11.31 cents (at 130% of the 5 day VWAP) <sup>1</sup>
Expiry date (length of time from issue)	3 years from date of issue
Risk free interest rate	2.97%
Volatility (discount)	70%
<b>Indicative value per Related Party Option</b>	3.5569 cents
<b>Total Value of Related Party Options</b>	<b>\$213,414</b>

<sup>1</sup> The exercise price of the Related Party options will be 130% of the volume weighted average price of Shares sold on the ASX during the five (5) trading days immediately preceding and including the date on which such price is to be determined.

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

**PROXY FORM**

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

**ANNUAL GENERAL MEETING**

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby  
appoint

Name of proxy

OR  the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, 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 Meeting to be held at The Celtic Club, 48 Ord Street West Perth, WA 6005 on Thursday 14 November 2013 at 1:30pm (WST), 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.**

<b>Voting on business of the Meeting</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-Election of Director – Mr Benjamin Chow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-Election of Director – Mr Andrew Tsang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Re-Election of Director – Mr Yonggang Li	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of Prior Issue – Shares (January Placement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Ratification of Prior Issue – Shares (February Placement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Adoption of Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Adoption of Employee Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Issue of Shares on Conversion of Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Issue of Options to Related Party – Dr Stephen Ward	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**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 be counted in computing the required majority on a poll.

**Important for Resolutions 1, 9 and 10**

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1, 9 and 10 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1, 9 and 10 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 1 and 10 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolution 9 and 10 and that votes cast by the Chair for Resolution 9 and 10, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolution 1, 9 and 10 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1, 9 and 10.

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

**Signature of Shareholder(s):**

<b>Individual or Shareholder 1</b>	<b>Shareholder 2</b>	<b>Shareholder 3</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director/Company Secretary	Director	Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_ **Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_ **Consent for contact by e-mail:** YES  NO

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder 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 Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder'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 Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. 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 Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders 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 Proxy 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. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the 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 proxy@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.**