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## **Chairman's Address: Mindax Limited**

### **Annual General Meeting held on 23 November 2006, at 3.30pm**

Ladies & Gentlemen, thank you for your attendance at this the 3<sup>rd</sup> AGM of Mindax Limited – the 2<sup>nd</sup> as a listed company. For those of you who are here for the first time my name is Gilbert George and I am chairman of Mindax. My fellow directors are Nicholas Smith, and Greg Bromley. Company Secretary is Angelo Francesca.

### **Uranium**

The year has seen strong growth in our uranium portfolio. The significance of this arises out of the intensified market interest for uranium, the resultant exploration industry interest in uranium properties generally and more specifically the quality and provenance of our uranium portfolio - in particular compared with other recent uranium offerings.

The following are the highlights of Mindax's 2005/2006 uranium successes.

#### **· LAKE NOONDIE PROGRESS**

We have overcome access issues with traditional owners at our Lake Noondie project and we were able to commence a program to drill some 50 holes on our property. Due to wet conditions only 38 of the planned 50 holes were drilled and conditions permitting the remaining program will be completed later in the financial year. The key drill targets identified by the significant radiometric anomaly (which as you will recall was twice the size of the Yeelirrie anomaly) still remain to be completed and we are now conducting a program of water sampling along the 20 km Uranium anomaly.

#### **· COLLABORATIVE RESEARCH PROJECT WITH CRC LEME AND ACQUISITION OF VALUABLE DATA BASE**

In early 2006 Mindax entered into a collaborative research project with the Cooperative Research Centre for Landscape Evolution and Minerals Exploration (CRC LEME), a research organisation managed by the CSIRO. Mindax's net contribution to this research project is the sum of \$25,000 per annum for an initial 2 year period. As a result of our participation in the research project, Mindax has been given exclusive access to an extensive exploration data base which would have cost many hundreds of thousand dollars to replicate.

## **· EXCLUSIVE REVIEW OF DATA BASE**

The provision of this data base has allowed Mindax to exclusively review the geological prospectivity for uranium (and other minerals) over more than a hundred thousand square kilometres of drainages and hard rock areas in the highly prospective and under explored Avon Valley/Yilgarn Craton region of Western Australia. As a consequence we have been able to acquire tenements considered to be of strong geological prospectivity.

## **· FORMATION OF JOINT VENTURE WITH HEATHGATE**

In relation to the Avon Valley/Yilgarn Craton tenements, we have formed an exploration joint venture with Quasar Resources Pty Ltd which is a wholly owned subsidiary of Heathgate Resources Ltd the owners and operators of the Beverley uranium mine in South Australia. Mindax is the operator of the Joint Venture which has now pegged claims over 13 tenements in the Avon Valley/Yilgarn Craton region. We believe that aside from the commonality of the two companies' exploration philosophies which obviously makes us compatible partners, Heathgate's considerable operational experience and expertise as a producer of uranium in Australia makes them an excellent partner.

## **· JOINT VENTURE'S URANIUM PORTFOLIO ACQUISITION CRITERIA**

Consistent with Heathgate's position as an established uranium producer and Mindax's ambitions to become a producing miner at the earliest opportunity, the Joint Venture has been discriminating in its selection of ground to be pegged. As a result of this approach, the Joint Venture has now pegged over 2000 square kilometres in the Avon Valley/Yilgarn Craton which includes around 150 km of paleo drainages. The current industry view of what is an encouraging level of uranium in water which should justify exploration expenditure appears a little flexible. We have seen amongst recent uranium floats suggestions that water readings of 70 ppb are significant and merit exploration expenditure. Our Joint Venture has established a cut off rate of 100ppb. In relation to the 13 tenements that the Joint Venture has pegged, out of some 450 samples taken, we have approximately 100 with readings in excess of our 100 ppb cut off rate including approximately 10 samples with water readings around the 950ppb to 1000 ppb, a level of U-in-water commonly regarded as being in ore quality substrates.

The future appears promising and your directors are hoping that in the year to come the quality of our uranium portfolio will receive the credit we believe it deserves. The recent strengthening of our share price may be a sign that we are beginning to gain a little more recognition, and the release of the report by the Federal Government's Nuclear Task Force has also encouraged focus on uranium stocks.

Certainly we do not believe the present share price is a proper reflection of the Company's assets, particularly the uranium assets, at a time when uranium is so highly in demand.

As has been indicated in the past, it may be the case that the best way to achieve proper recognition for the true value of the assets will be to sponsor a disaggregation of the company's assets, by way of a spin off of the uranium properties. Your directors continue to examine this possible scenario very closely and we are getting much unsolicited advice from a number of quarters that this is what we should do. I can say that if such a disaggregation occurs, any spin off would most likely involve some distribution in specie to Mindax shareholders and would almost certainly

involve shareholders having priority rights of subscription in any Initial Public Offering.

## **Gold**

We have also had a busy time on the gold exploration front, as would be expected with a regional holding in excess of 1500 square kilometres :

An extensive drilling program at **Maynard Hills** uncovered gold mineralization along 14 km of strike near Troy's Lords' discoveries, but not at economic grades. We still have work to do along both the Edale and Illara structures, which have a combined strike length of over 150 km, and where we have narrowed down the target areas.

First pass drilling at **Meekatharra North** was encouraging and we will shortly be drilling extensions and new targets.

The technical aspects of the scoping study of our **Paradise Bore** resource at **Bulga Downs** have been completed and were very encouraging. The report gives us confidence that the 36,000 ounce JORC compliant inferred resource is conservative and Mr Bromley will explain this in detail in his presentation.

The other high grade targets we have in the 10 kilometres of mineralization along the Cabaret Trend will be investigated further once the process of finalizing our mining leases is completed.

## **Iron Ore**

Because of strong continuing commodity price support, I will touch briefly on the iron ore potential of Bulga Downs and Maynard Hills, which will become important if the current proposals to develop joint infrastructure in the Mid-West iron ore region are realized.

There is widespread iron mineralization throughout our leases with qualities identified from a very limited evaluation ranging from 35% to 52%. For example our gold reserve at Bulga Downs abuts a 16 kilometre outcrop of banded iron formation (BIF) where we have observed both hematite and magnetite mineralization.

The iron ore areas owned by Mindax are located similar distances from the coast as the projects being developed by Jupiter Mines at Mt Ida and Golden West Resources at Wiluna.

Our medium term view is that the diminishing reserves of high grade ores in the Pilbara will provide impetus for development of the Mid West iron ore region, as evidenced by recent corporate activity involving overseas and local companies.

## **Corporate Activity**

During the year a small placement in April and exercise of some June 2006 options provided Mindax with almost \$1 million for general exploration and working capital purposes - but more importantly the placement injected some liquidity into Mindax shares.

The share price has been disappointing, with little recognition of our Uranium assets, and no bonanza intersections yet to report on our green fields gold projects. This is the nature of exploration, and we would expect exploration success to have a strong positive impact on our share price. I have referred previously to the fact that the Board is closely examining the possibility of spinning off Mindax's Uranium assets.

As part of our planning for future capital requirements, Mindax shareholders received one June 2008 option (exercisable at 20 cents) for every 2 shares held as at 20 June 2006.

The Board has examined a number of acquisition opportunities during the year, and we will continue to do so if we consider this will advance our aim of getting into production quickly and sensibly.

## **Corporate Governance**

The Board takes the issue of Corporate Governance very seriously. We are committed to running a tight ship, and as a small exploration company, to maximizing exploration dollars in the ground. We are acutely aware of our role of representing you, the shareholders, and I wish to acknowledge the Board's efforts in ensuring Mindax remains accountable in every respect. This is an increasingly complex task which takes up a considerable amount of time in addition to regular Board meetings.

I would like to thank my fellow Board members, Nicholas Smith and Greg Bromley, and Company Secretary Angelo Francesca for their effective and responsible work throughout the year. On behalf of the Board I would also like to acknowledge the efforts of Greg Bromley and his experienced and dedicated team. Thanks to their efforts, Mindax has responded quickly and effectively to changing conditions.

We have a lot of work ahead of us, and the past year has laid the foundations for an exciting and eventful year ahead. Thank you for your support and I would now like to hand over to our managing Director Greg Bromley, for a detailed presentation on our activities.

**Gilbert George**  
**Chairman**



# MINDAX LIMITED



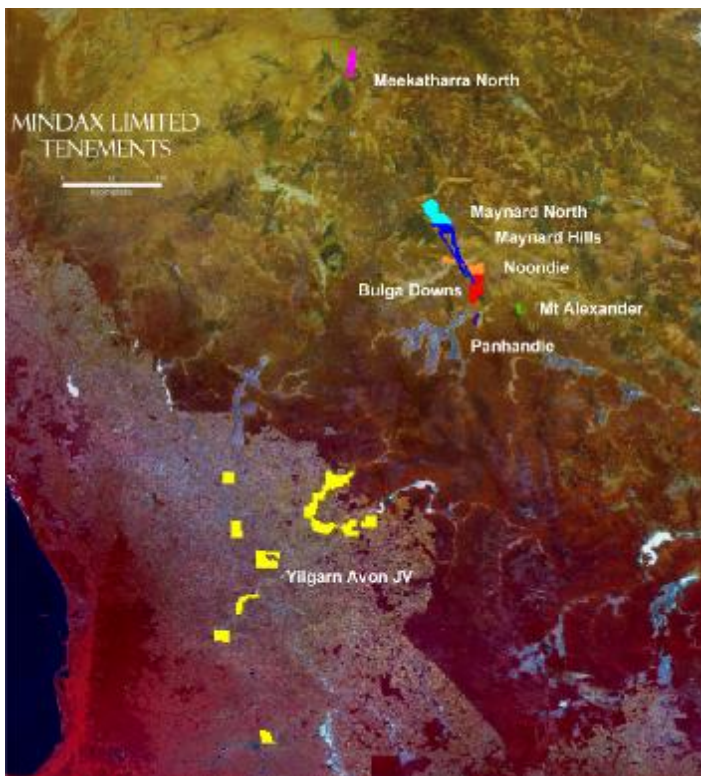
Annual General Meeting 23 November 2006

## MANAGING DIRECTOR'S REVIEW

### Introduction

The past year at an operational level has seen continuing focus on our objective of discovery and the ultimate goal of a dividend stream through mining. As the portfolio matures some projects have run their course. Others have maintained their prospectivity and we have introduced some new directions where we see particularly good exploration potential.

I will elaborate our current portfolio shortly.



There have been frustrations this year. During the summer the Murchison received record rainfalls which challenged us in the field but it has been the non-meteorological land access issues that have been a particular problem area.

Much of our Sandstone program has been subject to the intertwined issues of native title and heritage accentuated by competing claimant groups. It has taken immense patience to manage these issues which are very much restricted to the Sandstone area.

The exploration environment has been dominated by boom conditions across a wide range of commodities. Drill rigs, field supplies, laboratory turn around and personnel are all areas where the impact is being felt. We are not immune to these but touch wood, we manage.

The boom also of course highlights the prospectivity of Australia (and Western Australia in particular) across a wide range of in demand commodities. Mindax is particularly focussed on gold and uranium – gold because it offers a particularly fast track to income generation and because its position within the global economy is increasingly consolidating. Uranium on the other hand is the energy commodity of the future, offering increasingly obvious environmental advantages. We believe we are in the right place to take advantage of these conditions and that we have the properties to generate the results.

### [Yilgarn-Avon Uranium Project](#)

The particularly exciting development for the year was the signing of a co-operative research agreement with CRC LEME to study the uranium content of waters within the Yilgarn-Avon area to the east of Perth.



The slide features a title 'Co-operative Research Program' in blue. Below it is a bulleted list of four points. At the bottom, there is a central logo for CRC LEME and a row of eight partner logos including NSW, CSIRO, and others.

- CRC LEME (The Co-operative Research Centre – Landscape Environments and Mineral Exploration) is involved in baseline studies of drylands salinization through out Southern Australia.
- Mindax have entered into a Collaborative Research Project on Uranium in Wheatbelt Waters.
- This forms a part of Program 2: Mineral Exploration in Areas of Cover
- The CRC LEME is an unincorporated JV of eight parties from government and academia

This project has grown out of a much wider study of salinity in the Avon and adjacent catchments and offers an innovative exploration approach in an area that has seen relatively little uranium exploration.

This collaboration has enabled the formation of a joint venture with Quasar Resources over an area of 100,000km<sup>2</sup>. Quasar is a private exploration arm of Heathgate, Australia's third uranium miner at Beverley in South Australia. Clearly this relationship is of considerable strategic importance to Mindax as we continue to grow our uranium business.



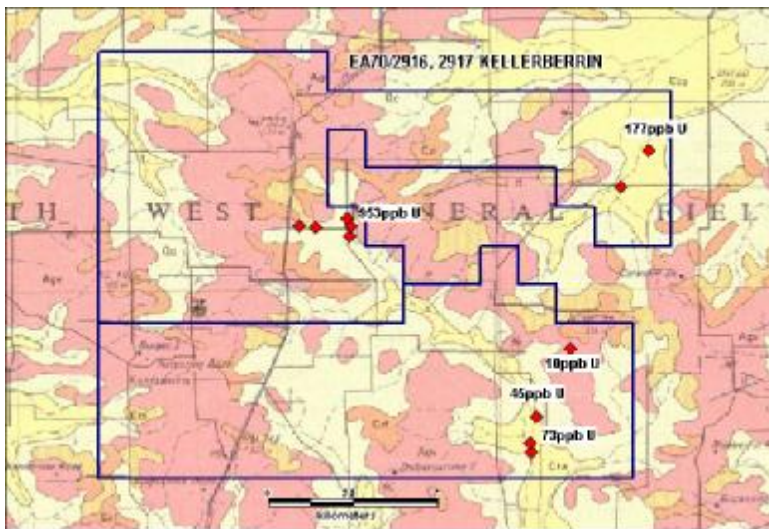
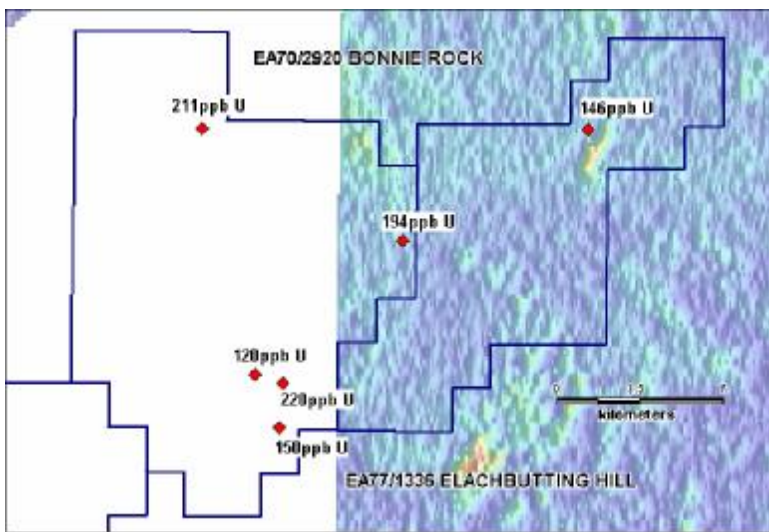
The company currently holds 13 licence applications in the Yilgarn Avon area, an area of 2500km<sup>2</sup>. These cover both palaeochannel and hard rock targets.

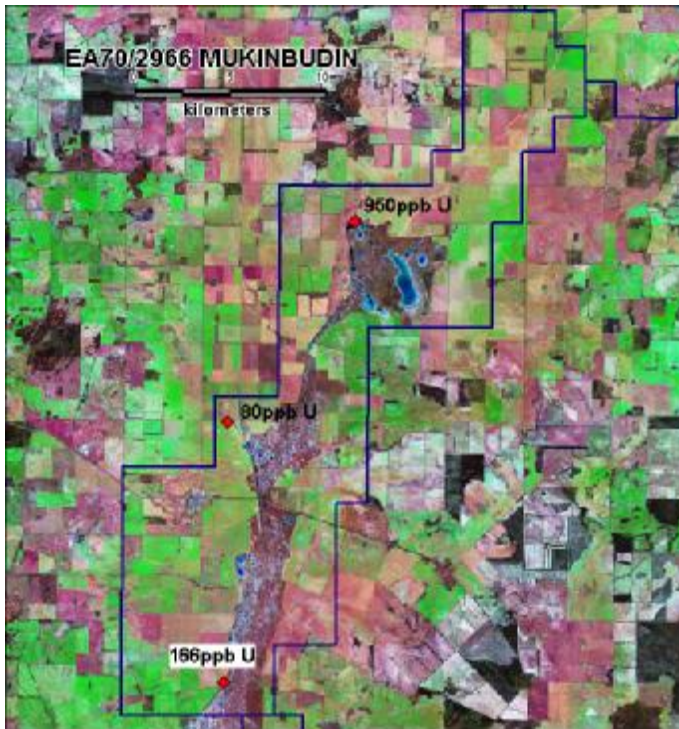


Early results are very encouraging. Sampling has already defined particular drainages as being uraniferous. The values in these waters in range up to 1000ppb U from a threshold of 100ppb U, equivalent to waters within and around the Yeelirrie uranium deposit in the North East Murchison.

Airborne radiometric data confirms the radiogenic character of these drainages.

Mindax holds 145km of trunk palaeochannel drainages that have high prospectivity.





Our program in the area is gathering momentum. We have developed our own water sampling capacity to complement the CRC LEME project work. We are experimenting with alternative sample media. We are planning towards airborne radiometric surveying. We expect to move quickly towards shallow geochemical drilling of the palaeochannels.

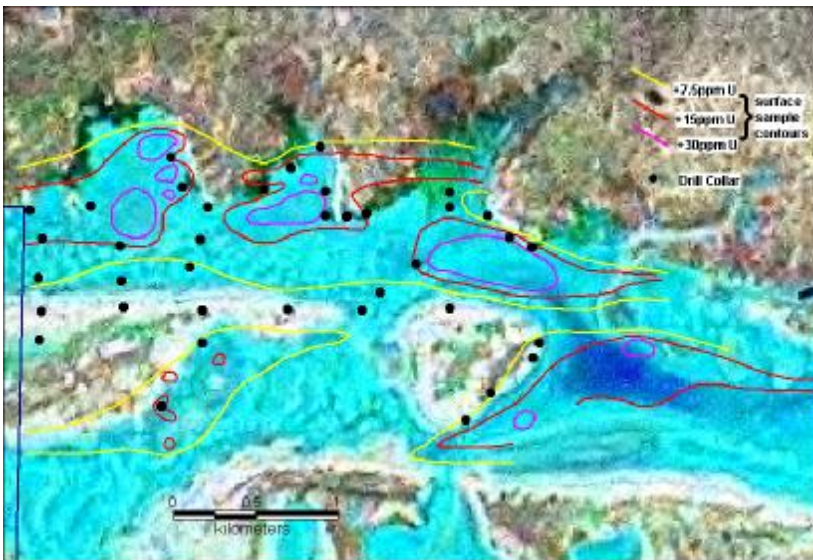
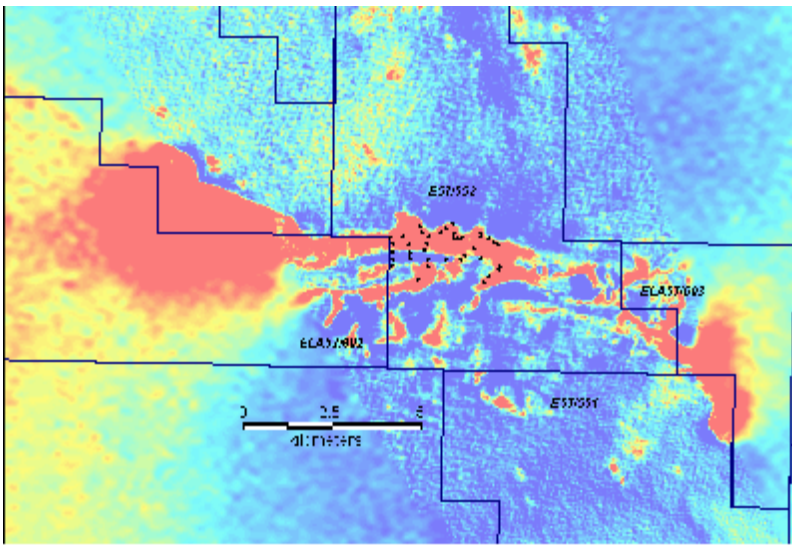
The CRC LEME is applying uranium isotope studies and speciation modelling to identify where in the drainage uranium mineralisation might be concentrating out of these particularly enriched ground waters.

We are also looking at the hardrock potential for uranium. We are continuing to data mine the extensive surface geochemical database we have throughout the area. We are applying further leading edge technology to the analysis of this data with the CSIRO's SiroSom data analytical technique.

We believe not only in the potential of this area but in the wider applications of these techniques to provide competitive advantage in other uranium exploration opportunities.

## Lake Noondie Uranium Project

Our other uranium project is at Lake Noondie near sandstone. The airborne radiometric anomaly here is supported by surface geochemical samples, anomalous in uranium. This is an important differentiation from the disequilibrium radon sources often detected on playa type lakes. The radiometric response extends over 20km of the lake.



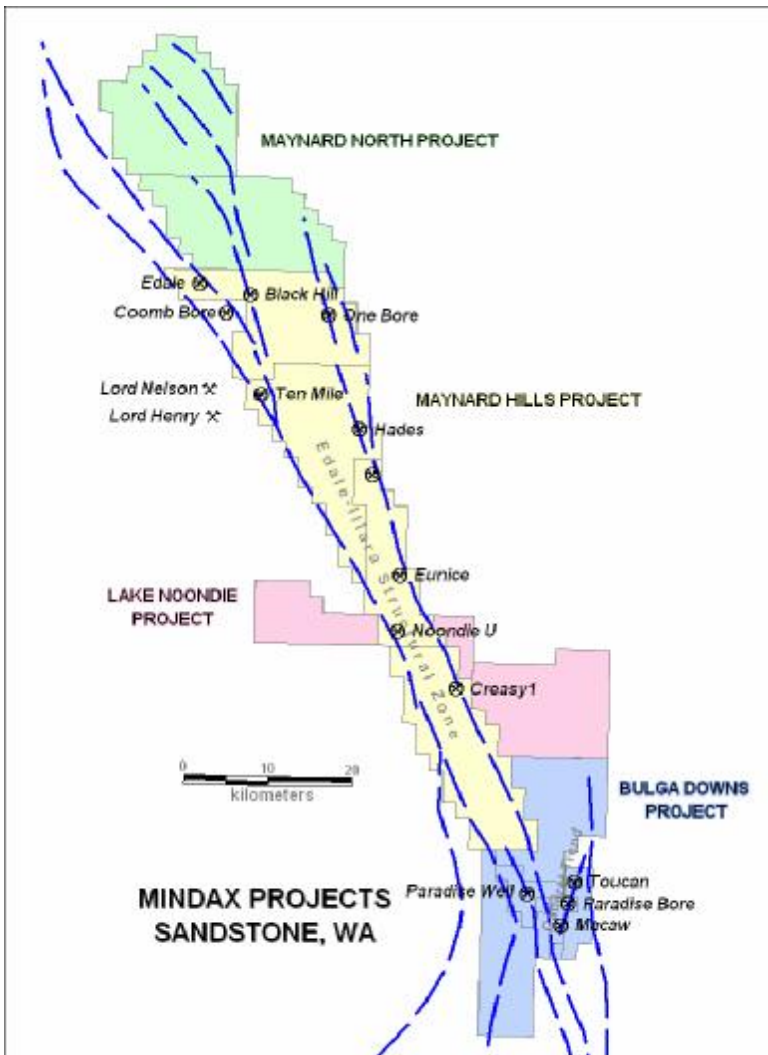
The first drilling program, finally executed in late August tested only a 4km section of the lake system. We achieved 38 of a planned 50 holes. None of these holes tested peak surface geochemical values (up to 60ppm u) because of access difficulties on the lake and no significant uranium was detected in the drilling program. We did achieve a much improved understanding of the geology and hydrology of the lake system identifying two distinct groundwater regimes – a surface flow where the surface uranium is associated with thin algal mats and, a potentially more interesting aquifer at depth. The two are separated by a clay seam.

We are presently testing the uranium content of these deeper waters to resolve the continuing prospectivity of the area.



### [Sandstone Gold Project](#)

Elsewhere at Sandstone, the gold program focused very much on the Maynard Hills area including the Ten Mile prospect immediately east of Troy's Lords gold mines.



This is an extensive area of cover within a major drainage and drilling was therefore spaced on 600m traverses. The program has now identified gold geochemical anomalism over some 22km of the Edale Fault to the north of ten mile prospect the best intercept is 0.24g/t over 4m . Some 8km of this trend lie within the Troy Resources Coombe Bore prospect where their more detailed drilling has shown wide, discontinuous intercepts of sub-gram gold mineralisation.

Similar persistent but sub-economic gold anomalism also marks the Illara Structure immediately to the east of the Edale.

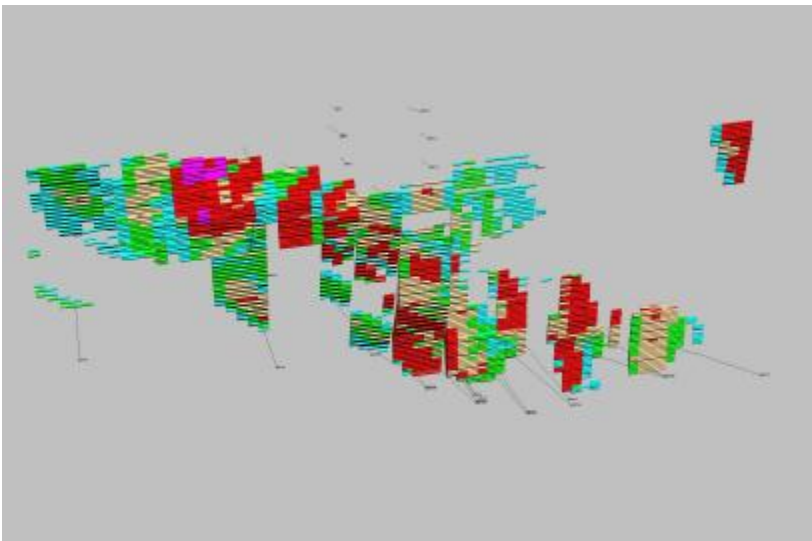
This work has considerably narrowed the field of interest and allows for more focussed testing.

## Bulga Downs Gold Project

At Bulga Downs, we have adjusted our strategy to consolidating our land position by progressing our mining lease applications to granted status. This process is nearing completion and will allow us to set our program there with a greater degree of confidence. Negotiations are well advanced with the Wutha people and we are hopeful the State Deed will be executed before Christmas.

Within this strategy we commenced a scoping study on the paradise bore gold resource. This work is to establish the viability of a mining operation on the resource, to quantify the work required to fully define the resource and to identify the status of the elements of a future feasibility study. These include issues of mining and treatment, environment and heritage.

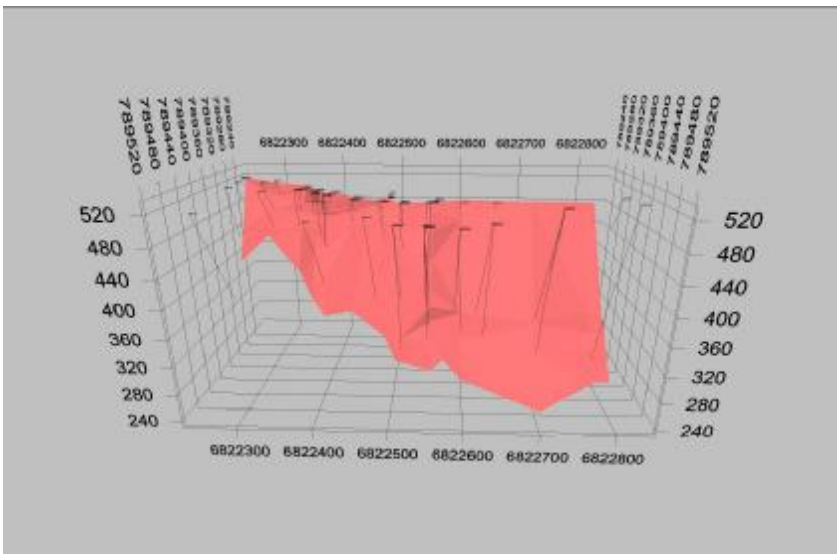
The resource modelling which is nearing completion suggests a best case scenario at Paradise Bore of 970,000 tonnes containing 73,000 to 96,000 oz (grade range 2.5 to 3 g/t). This is certainly not a resource, but is a conceptual estimate of the upper limits of the commercial target to be considered within the study. This model interpolates into areas of no drilling or limited drilling and assumes complete positive outcomes from the infill drilling.



*Detailed resource model*

The present Jorc Resource is an inferred 36,000oz in 400,000 tonnes at a grade 2.8g/t and the study currently assumes a recovery of around 20,000oz. The scoping study is quantifying these figures and the infill drilling required.

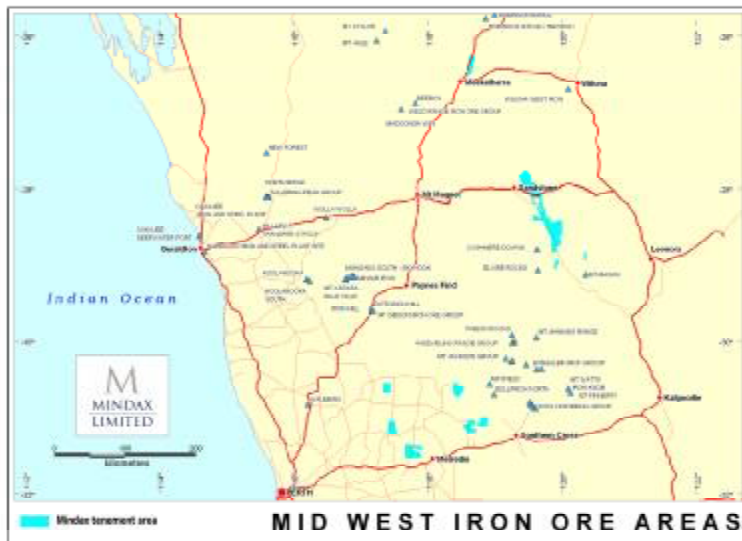
These early indications are very encouraging particularly as no account is made for potential of the adjacent Cabaret Trend.



*Conceptual resource model*

### **Bulga Downs Iron Project**

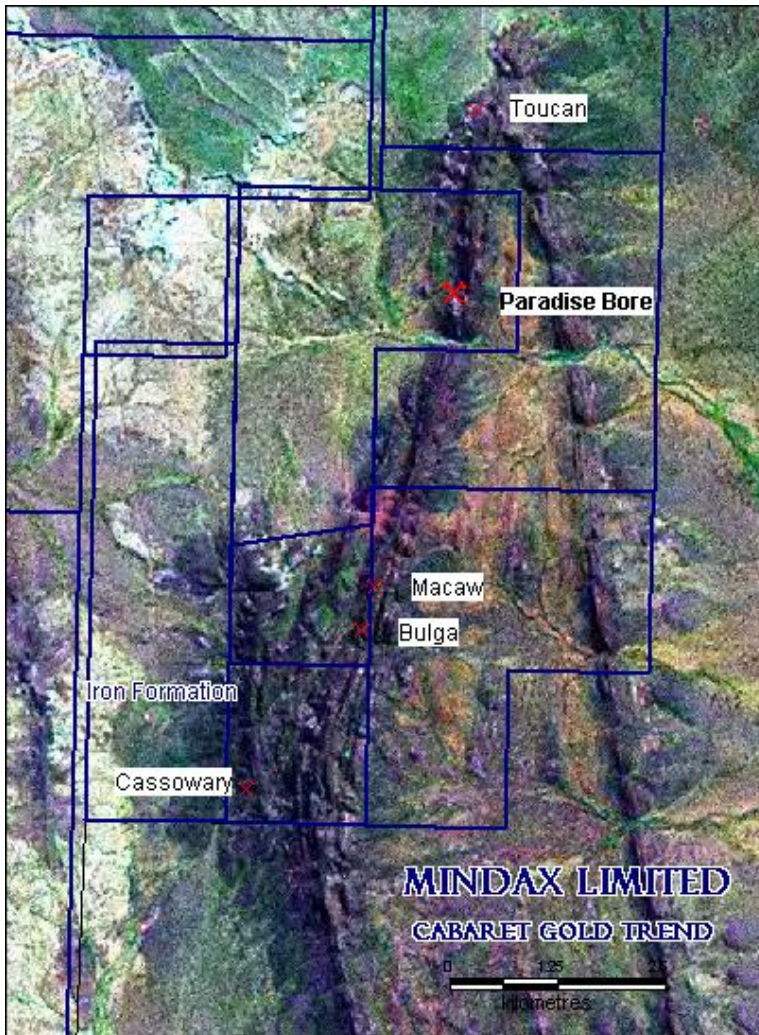
We have also had cause to consider the iron ore potential of the Bulga Downs project area, particularly as there are now potential developments at nearby Mt Mason (Jupiter Mines) and Cashmere Downs (Marbrouk) within the Midwest iron region which could impact positively on the viability of a project in this area.



Iron formation within the project area extends along the full ten km of the Cabaret Trend and extends for a further six km down the eastern limb of the syncline. At its widest, it spans a kilometre and includes massive horizontal thicknesses in excess of 50m. We have full detailed mapping that indicates magnetite, martite and hematite minerals but very little analysis of iron and contaminants. Eighteen holes drilled at the Paradise Bore gold target have passed through iron formation and sixteen of these delivered iron values in the 35-52.5% range. These holes are testing a very limited part of the length and width of the iron potential.

We are presently collecting surface samples to get a better idea of the distribution of grades throughout the prospect and to identify if there are significant pockets of high hematite material. Early results suggest that contaminants will not be a significant issue. This sampling is also looking at a smaller ironstone body on the Ten Mile prospect closer to Sandstone.

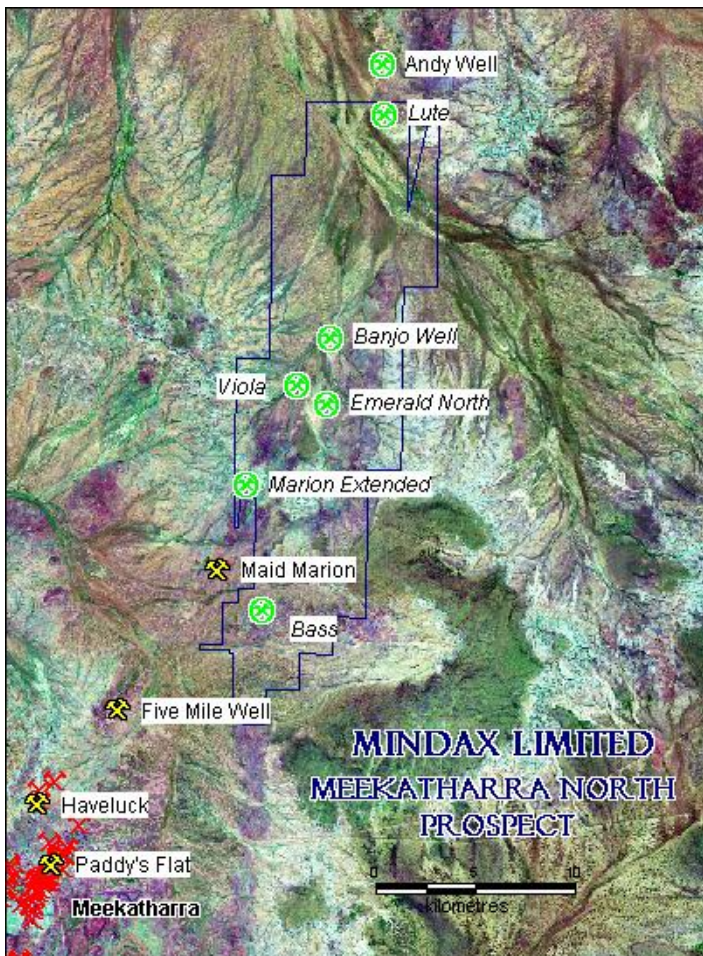




## Meekatharra North

Our gold program at Meekatharra North has been very encouraging with alteration and weak mineralisation intersected in the target areas selected. This area is a continuation of the 5moz Meekatharra goldfield and is particularly prospective for the famous Paddy's Flat style of lodes. While our best results to date are 3m @ 1.5g/t at Lute and 6m @ 0.29g/t at Viola, the alteration and mineralisation is visually very encouraging.

The program has also been able to quantify some of the regolith issues in the area enabling a more confident estimate of bedrock depths. We believe the variations in bedrock depth are important in confirming structure and that this information is very useful in controlling drilling patterns. We are presently extending our drilling coverage.

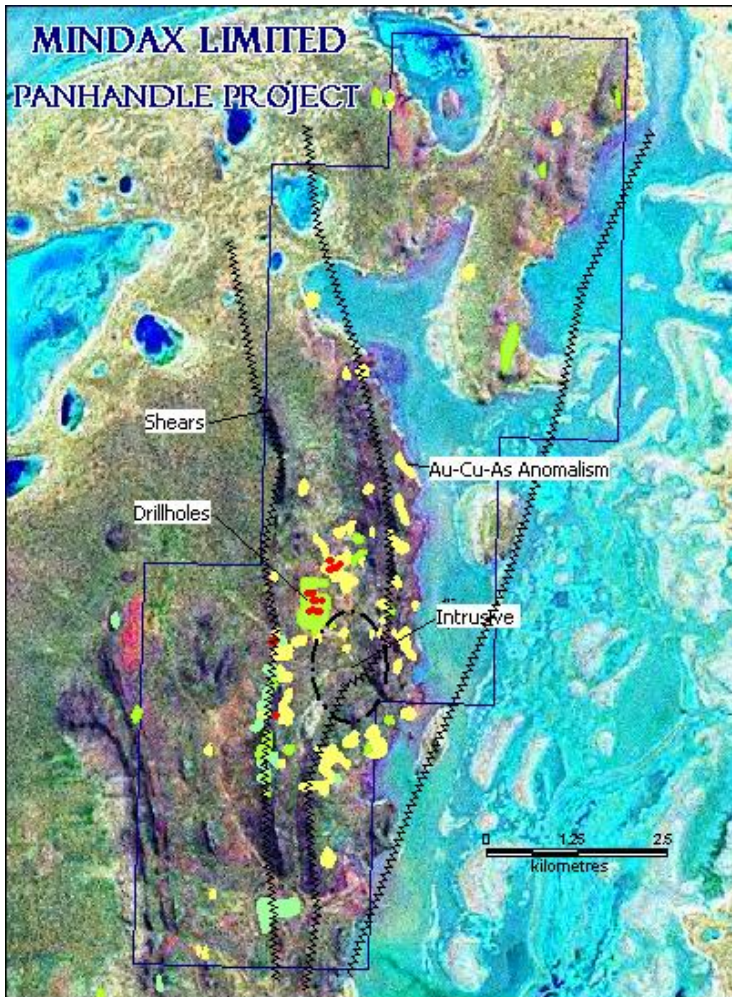


## Panhandle

Our Panhandle gold-copper program is also progressing with a gravity geophysical survey underway to test for Wallaby-Granny Smith style mineralisation. This ore style is associated with the fracture patterns associated with late stage shallow intrusives and has considerable tonnage potential.

This area has generated copper and gold surface geochemistry and significant values of copper (to 0.25%) at depth in associated rocks but to date the source of the gold is unclear. The geochemistry coincides with magnetic geophysical patterns and geology indicative of such a target.

The gravity work is important in defining deeper drilling targets.



[Close](#)

The year has seen a rationalization of our portfolio. Mt Alexander and the Creasy tenement have been tested and put aside. Relinquishments have been made within the Maynard Hills blocks. We are of the view that we have now tested the obvious positions here and that we should now look for a partner to further advance exploration in the area while we focus on projects that can deliver and on new opportunities.

The New Year will see an increased emphasis at Meekatharra North. We expect an increased momentum on the Yilgarn-Avon joint venture and recommencement of activity on the advanced project at Bulga Downs-Paradise Bore. New business opportunities which have the capacity to quickly add value to the Company will be actively sought and assessed as they arise.



Again it is the people behind the scenes that are critical to this endeavour. The Board and particularly our company secretary have provided strong support through the year, particularly in the difficult times. Stephen and Claire have shouldered much of the field work and now Ian McDonald, a man of considerable experience and sagacity has taken on management of the exploration program. He is assisted by Greg Walker who is taking a logistical role with a particular emphasis on the Yilgarn-Avon sampling.

We are also very appreciative of the support of a range of contractors that are critical to getting the job done.

Finally we are indebted to you the shareholders who have shown considerable loyalty and faith in the Mindax Enterprise. It is our earnest desire that you reap the rewards of Mindax's success.

**Greg Bromley**  
**Managing Director**