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MINDAX LIMITED

MINDAX LIMITED
ASX 20 100 866 442

PROSPECTUS

For the offer of up to 17,500,000 ordinary shares at 20 cents each, with 4,750,000 attaching Options to raise up to \$3,500,000.

This document is important and should be read in its entirety, together with the Application Form attached to this Prospectus. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter then you should consult your professional adviser.

The Shares and Options offered under this Prospectus should be considered as speculative and read in conjunction with the risk factors outlined in this Prospectus.

Corporate Directory

Directors

Gilbert Charles George (Non-executive Chairman)
Gregory John Bromley (Managing Director)
Nicholas James Smith (Non-executive Director)

Company Secretary

Angelo Francesca

Registered & Principal Office

Registered Office:
10 Canning Highway
South Perth WA 6151

Principal Office:
171 South Terrace
Como WA 6152
Phone: 08 9474 5453
Facsimile: 08 9474 5453
Website: www.mindax.com.au
Email: info@mindax.com.au

Independent Consulting Geologist
Continental Resource Management Pty Ltd
10 Hehir Street
Belmont WA 6104

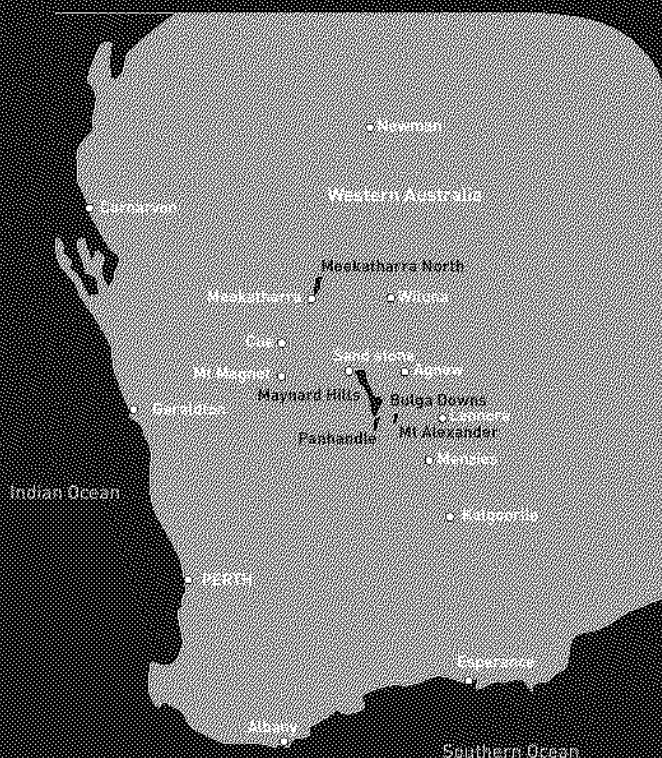
Investigating Accountant
Horwath Securities (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008

Auditors
Horwath Perth
Chartered Accountants
128 Hay Street
Subiaco WA 6008

Share Registry
Advanced Share Registry Services
Level 7, 200 Adelaide Terrace
Perth WA 6000

Solicitors
Pullinger Readhead Lucas
Level 2 Fortescue House
46 to 50 Kings Park Road
West Perth WA 6005

ASX Code
MDX



Key Points at a Glance

Mindax offers an exploration portfolio of four gold and one nickel project totalling 1,388 km² in area centred on the East Murchison area of the Yilgarn Craton in Western Australia. The Company's focus is on achieving a cash flow in the short to medium term.

Mindax seeks to raise up to \$3,500,000 to fund exploration on the projects and meet operating costs.

There are no outstanding cash costs in relation to the acquisition of Mindax's portfolio of assets. No funds received will therefore be used to discharge obligations to vendors.

- The core group of three projects southeast of Sandstone are a significant holding of under-explored greenstone terrain in an emerging gold province along the major Edale-Illara fault system:
 - **Bulga Downs** – 314 km² straddling the Edale fault, includes immediate drilling targets along the 10 km Cabaret Trend including Paradise Bore where the inferred resource of 36,000 oz gold provides a solid foundation for future development.
 - **Pannhandle** – 102 km² south of Bulga Downs along the Edale fault, includes drill ready soil gold anomalies over a 3 km trend at Pannhandle.
 - **Maynard Hills** – 735 km² along the Edale-Illara faults includes 75 km of greenstone-granite contacts and abuts Bulga Downs to the south and the recent Troy Resources Lord Nelson/Henry discovery (319,000 oz) to the west.
- **Meekatharra North** – 200 km² in the highly prospective Meekatharra Goldfield in the near vicinity of the Paddy Flat/Bluebird gold mines where there has been historical gold production of 5 million ounces.
- **Mt Alexander** – 35 km² includes 5 km of under explored ultramafic adjacent to known nickel sulphide intercepts currently being explored by WMC Resources/Western Areas.

Important Dates & Offer Summary

Prospectus Lodged With ASIC	12th October 2004
Offer Opens	20th October 2004
Offer Closes	17th November 2004
Despatch of Shareholder Statements	24th November 2004
Trading Expected To Commence On ASX	30th November 2004
Application Price	\$0.20
Shares Offered	15,000,000
Options Offered	7,500,000
Shares On Issue Following The Offer	43,637,395
Options On Issue Following The Offer	7,500,000

The dates are indicative only.

Notes:

1. The Company reserves the right to accept oversubscriptions of up to 2,300,000 Shares at \$0.20 together with 1,250,000 attaching Options.

2. The Options, the exercise price of which is \$0.20, may be exercised on or before 5.00 pm WST on the date eighteen months after the day trading commences on the ASX.

Table of Contents

	CHAIRMAN'S LETTER	1
Section 1	INVESTMENT SUMMARY	2
Section 2	DETAILS OF THE OFFER	4
Section 3	MANAGEMENT PROFILES	7
Section 4	CAPITAL STRUCTURE	9
Section 5	COMPANY AND PROJECT OVERVIEW	10
Section 6	RISK FACTORS	18
Section 7	INDEPENDENT GEOLOGIST'S REPORT	20
Section 8	SOLICITOR'S REPORT	46
Section 9	INDEPENDENT ACCOUNTANT'S REPORT	63
Section 10	SUMMARY OF MATERIAL CONTRACT	75
Section 11	ADDITIONAL INFORMATION	76
	DIRECTORS' STATEMENT	85
	GLOSSARY	86

Important Notice

This Prospectus is dated 12th October 2004 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Before deciding to invest in the Company, potential investors should read the entire Prospectus. The Shares and attaching Options offered under this Prospectus should be considered speculative. The Company is at an early stage of its development and the risks associated with the Company and investing in the Company are significant. Potential investors should carefully consider these factors in light of personal circumstances and seek advice from their professional adviser before deciding whether to invest. The Shares and Options offered under this Prospectus carry no guarantee in respect to the return on capital investment, payment of dividends or the future value of the Shares and Options.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus other than as contained in this Prospectus. Any information or representation in relation to the Offer which is not contained in this Prospectus may not be relied on as having been authorised by the Company.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Exposure Period

This Prospectus will be made generally available during the Exposure Period by being posted on the Company's Internet site at www.mindax.com.au. A paper copy of this Prospectus will also be made available upon request.

In accordance with Chapter 6D of the Corporations Act and ASIC Policy this Prospectus is subject to an "exposure period" of 7 days from the date of lodgement with the ASIC, during which no Applications may be processed. This period may be extended by the ASIC for a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

There are a number of persons referred to in the draft Prospectus who are not experts and who have not made statements included in this draft Prospectus nor are there any statements made in this draft Prospectus on the basis of any statements made by those persons. Those persons did not consent to being named in the draft Prospectus and did not authorise or cause the issue of the draft Prospectus.

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary at the end of this document.

Dear Investor,

On behalf of my fellow directors, it is with great pleasure that I introduce this Prospectus and the opportunity to become a shareholder in Mindax Limited ("Mindax" or "the Company").

Mindax was formed to capitalise on the opportunity to amalgamate a significant suite of tenements in the Northeast Murchison area of Western Australia. Principally these tenements are based along the Edale-Illara fault system to the southeast of Sandstone where we have a very significant holding upwards of 1,100 km².

This area has seen relatively little exploration over recent years and shows few signs of historical prospector activity, an unfashionable area not unlike the Yandal Belt, the Thunderbox area or Kundana prior to their discoveries. These are all major gold resources remote from traditional mining centres and perhaps therefore long overlooked.

Our research has indicated significant gold geochemical "smoke" associated with the major structures through this area and suggests the Northeast Murchison district may represent an opportunity to discover a new significant goldfield in Western Australia. This notion is supported by recent grassroots discoveries in the area such as Paradise Bore. Mindax is particularly encouraged by the recent significant 319,000 oz discovery made by Troy Resources close to the western boundary of our Maynard Hills tenements.

At the heart of Mindax's holdings is a recently discovered inferred resource of 36,000 oz of gold at Paradise Bore. This oxide resource occupies only a small part of a mineralised structure that in turn lies within a significant 10 km long corridor including other high grade drill intercepts and untested geochemical anomalies. The Paradise Bore resource can be extended with further drilling and there is a good chance of supplementary ore from careful exploration within this corridor. This will be our first priority and will be the subject of a drill intensive program.

The surrounding Bulga Downs, Maynard Hills and Panhandle projects have seen little exploration through recent years but compilation of this sparse data indicates levels of geochemical anomalism consistent with the characteristics of Paradise Bore. All up these projects cover some 150 km of greenstone along the Edale-Illara structures. Systematic exploration is expected to yield results in the short to medium term.

This work is already underway and drill targets are defined at Panhandle and Maynard Hills for example.

Our Meekatharra North project lies on the structure that controls the mineralisation of the Bluebird and Paddy's Flat gold mines where 5 million ounces have been produced. Re-evaluation of the available exploration data over this area of 200 km² indicates analogous positions to Paddy's Flat and the Bluebird goldmines that are not fully tested and offer scope for a significant discovery.

The Mt Alexander Project 50 km southwest of Paradise Bore has in the past returned nickel sulphide intercepts. WMC Resources/Western Areas are actively exploring in the area west of the Company's tenements. The project includes 5 km of under-tested ultramafics where reconnaissance drilling has indicated sulphides with low order copper and nickel anomalism.

We believe this portfolio affords us the opportunity to build shareholder wealth by rapidly moving to gold production through a combination of careful exploration and development and by prudent corporate management. This is our major objective.

The Board of Mindax collectively has the focus, experience, skills and dedication to ensure shareholders' funds are directed towards achieving the greatest expenditure in the ground to generate maximum value for shareholders in the short to medium term.

The Mindax team is headed up by Greg Bromley. Greg has over 30 years experience locally and internationally in the gold industry including a long familiarity with the Murchison area and these projects in particular.

Our exploration program will have a strong drilling focus that will generate regular results through time. Work will initially concentrate on the 10 km of strike that includes Paradise Bore while progressively generating other targets.

Please read the Prospectus carefully. The document includes a detailed description of the Company's projects and programs. Please seek appropriate professional advice so that you may make an informed investment decision.

On behalf of the Board of Directors, I look forward to welcoming you as a shareholder in Mindax.



Gilbert George
Chairman

Section 1: Investment Summary

The information set out in this Section is not intended to be comprehensive and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus.

1.1 Mindax Limited and its Projects

The Company was incorporated on 30th October 2003 and, with a view to establishing a mining enterprise in the short to medium term, has acquired the rights to exploration over 1,350 km² in the Murchison, the Northeast Murchison and Eastern Goldfields regions of Western Australia. At the heart of this is an inferred resource of 36,000 oz of gold at Paradise Bore 105 kilometres southeast of Sandstone.

Surrounding Paradise Bore, the Bulga Downs, Maynard Hills and Panhandle projects total 1,150 km² of gold prospective greenstones and constitute a significant semi-contiguous landholding. A review of records of past exploration has identified a number of potential target positions within this area. Troy Resources have recently announced two new gold discoveries totalling 319,000 oz at Lord Nelson and Lord Henry adjacent to this area.

The Meekatharra North project lies north of the significant Paddy Flat and Bluebird gold mines where 5 million ounces have been produced since the 1890s. Re-evaluation of the extensive exploration data over this area of 200 km² indicates geological settings analogous to the Paddy's Flat and Bluebird mining areas. These positions are not fully tested and offer scope for a significant discovery.

These gold projects are all adjacent to major regional structures similar to the Zuleika shear system that hosts the rich lodes of Kundana and Daveyhurst. These are significant gold mines. It is these styles of deposit that most resemble the mineralisation at Paradise Bore and exploration activities will be targeted accordingly.

The Mt Alexander project 50 km east of Paradise Bore is adjacent to past nickel sulphide intercepts in the area actively being drilled by Western Areas and WMC Resources. The Mindax project includes 5 km of under-tested ultramafics where limited reconnaissance drilling has indicated sulphides with low order nickel and copper anomalism.

1.2 Company Objectives

The primary objective of the Company is to maximise shareholder wealth through participation in the cost-effective discovery and development of profitable and preferably long-life mining projects on mineral tenements that the Company currently owns or in which it may subsequently acquire an interest.

The Company has already successfully carried out capital raisings totalling \$1,133,235 by way of share placements at \$0.05 and \$0.14 per share and a rights issue at \$0.14 per share. These funds have been applied towards acquiring outright ownership of its portfolio, the initiation of exploration across the tenements and for operational working capital.

In the short to medium term the Company intends to:

- Build on the existing Paradise Bore resource base at Bulga Downs by drilling existing and new targets along the 10 km Cabaret geochemical trend
- Develop and drill significant anomalies to the north and south of Bulga Downs on Maynard Hills and Panhandle project areas
- Develop drilling targets within the Meekatharra North project area by modelling geophysical, geochemical, regolith and basement geology
- Resolve nickel sulphide targets at Mt Alexander by careful integration of geological mapping and TEM geophysics.

The Company also intends to diligently review any acquisition opportunities that may further promote the Company's objectives.

1.3 Purpose of the Offer

The Offer will provide the Company with the funds necessary to:

- complete the exploration work program;
- review acquisition opportunities in the project area and other appropriate regions;
- provide operational working capital.

1.4 Expenditure Plans

The Company is seeking to raise a minimum of \$3 million (with the ability to accept an additional \$500,000 by way of over subscriptions) pursuant to the Offer. These funds will be applied as follows over a two year timeframe:

Item	Project	Expense \$'000	
		Minimum \$3,000,000	Maximum \$3,500,000
Exploration costs		1,850	2,130
	Bulga Downs	1,100	1,175
	Maynard Hills	340	390
	Panhandle	180	230
	Meekatharra North	130	185
	Mt Alexander	100	150
Expenses of the offer		275	308
Corporate Administration and Project Review		850	850
Working Capital		25	212
Total		3,000	3,500

1.5 Working Capital Adequacy

The Directors are satisfied that upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives for a period of 2 years.

1.6 Capital Structure

• Offer Price	20 cents
• Shares on issue prior to the Offer	26,587,395
• Shares to be issued as vendor consideration	2,050,000
• Shares offered under this Prospectus	15,000,000
• Shares on issue after the Offer	43,637,395
• Market capitalisation at Offer Price	\$8,727,479

As part of the Offer the Company will issue 7,500,000 attaching Options to subscribers to the offer at the rate of one attaching Option for each two shares subscribed for.

This assumes that the Public Offer is fully subscribed. The Directors reserve the right to accept oversubscriptions by issuing up to an additional 2,500,000 Shares. If the minimum subscription is achieved and the Directors accept oversubscriptions by issuing an additional 2,500,000 Shares, then the total issued shares on completion of the Public Offer and after the issue of Shares as vendor consideration will be 46,137,395. Similarly, if the Directors accept oversubscriptions by issuing an additional 2,500,000

Shares then the total Options on issue after completion of the Offer will increase from 7,500,000 to 8,750,000.

The rights attaching to the Shares and the terms of the Options are summarised in Section 11 of this Prospectus.

1.7 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company Projects. These activities are expected to dominate the two year period following the issue of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Once sustainable profitability has been established, it is the Directors' intention to formulate a dividend policy taking account of cash flow and capital requirements and to pay dividends when available cash flow and capital requirements allow.

1.8 Risk Factors

Prospective investors in the Company should be aware that subscribing for Shares and Options in the Company involves a number of risks. The key risk factors of which investors should be aware are described in Section 6 of this Prospectus. Investors are urged to consider these risks carefully before deciding whether to invest in the Company.

Section 2: Details of the Offer

2.1 The Offer

Pursuant to this Prospectus, the Company is offering for subscription 15,000,000 Shares at an issue price of \$0.20 per Share, to raise \$3,000,000. The Offer includes one attaching Option for each two Shares issued under this Prospectus for a total of 7,500,000 attaching Options. These Options are exercisable at \$0.20 each within eighteen months from the date of listing on the ASX.

The Company will accept oversubscriptions of 2,500,000 Shares at \$0.20 per Share to raise up to a further \$500,000 and this will require the issue of a further 1,250,000 attaching Options.

All Shares offered under this Prospectus will rank equally with existing Shares. The rights and liabilities attaching to Shares and the terms and conditions of the Options are further described in Section 11 of this Prospectus.

2.2 Indicative Timetable

- | | |
|--|------------------|
| • Prospectus lodged with ASIC | 12 October 2004 |
| • Opening Date | 20 October 2004 |
| • Closing Date | 17 November 2004 |
| • Dispatch of Holding Statements | 24 November 2004 |
| • Trading of Shares and Options
expected to commence on ASX | 30 November 2004 |

The above dates are indicative only. The Directors reserve the right to vary the dates and times of the Offer under this Prospectus including the Closing Date without notice.

2.3 Underwriting

The Offer is not underwritten.

2.4 How to Apply for Shares and Options

An application to subscribe for Shares and attaching Options can only be made on an Application Form contained in this Prospectus. The Application Form should be completed in accordance with the instructions set out on the back of the Application Form.

Applications must be for a minimum of 10,000 Shares and 5,000 attaching Options representing a minimum investment of \$2,000 and thereafter in multiples of 1,000 Shares and 500 attaching Options.

Cheques must be in Australian currency and made payable to "Mindax Limited Subscription Account" and crossed not negotiable.

Application Forms must not be circulated to

prospective investors unless accompanied by a copy of this Prospectus. A duly completed and lodged Application Form will constitute an offer by the Applicant to subscribe for the number of Shares and attaching Options applied for pursuant to the Application Form.

The completed Application Form and accompanying cheque may be lodged at any time after the issue of this Prospectus and before 5.00pm on the Closing Date at the offices of Advanced Share Registry Services:

By post to:		In person at:
PO Box 6283	OR	Level 7
East Perth WA 6892		200 Adelaide Terrace
		Perth WA

Envelopes should be marked "Mindax Limited – Share Offer".

The Board of Directors reserves the right to extend the Offer or to close the Offer early without notice. Applicants are therefore urged to lodge their Application Forms as soon as possible.

An original, completed and lodged Application Form for the Shares and attaching Options, together with a cheque for the application money, constitutes a binding and irrevocable offer to subscribe for the number of Shares and attaching Options specified in the Application Form. The Application Form does not need to be signed to be a valid application. An application will be deemed to have been accepted by the Company upon allotment of the Shares and attaching Options.

If the Application Form is not completed correctly, or if the accompanying payment of the appropriate application money is for the wrong amount, it may still be treated by the Company as valid. The Directors' decision as to whether to treat the application as valid and how to construe, amend or complete the Application Form is final; however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the application money.

2.5 Application Money held in Trust

Application money will be held in trust in a subscription account until allotment. The subscription account will be established and kept by the Company on behalf of the Applicants.

2.6 Allocation and Allotment of Shares

The Company reserves the right to reject any application or to allocate to any Applicant a lesser number of Shares and attaching Options than those applied for. If an application is not accepted, or is accepted in part only, the relevant part of the application money will be refunded. Interest will not be paid on application money so refunded.

The allotment of Shares and attaching Options to Applicants will occur as soon as practicable after Application Forms and application moneys have been received for all the Shares and attaching Options being offered, following which statements of shareholding will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in Shares and Options. Applicants who sell Shares and Options before they receive their statement of shareholding will do so at their own risk.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

2.7 Minimum Subscription and Oversubscriptions

The minimum subscription to the Offer is 15,000,000 Shares and 7,500,000 attaching Options to raise \$3,000,000.

In accordance with section 723 of the Corporations Act, no Shares or attaching Options will be allotted by the Company until the minimum subscription has been subscribed.

If the minimum subscription is not reached within 3 months of the date of this Prospectus, the Directors will not allot the Shares and attaching Options. If the minimum subscription is not reached, the Company will repay all Application monies received, without interest in accordance with the Corporations Act.

Until the minimum subscription is reached, all monies received for the Shares and attaching Options offered by this Prospectus will be held in trust in a bank account established for the purpose of depositing Application monies received pursuant to this Prospectus.

The Directors reserve the right to accept oversubscriptions for up to an additional \$500,000 by issuing 2,500,000 Shares at an issue price of \$0.20 per share with 1,250,000 attaching Options. The Company will not accept any oversubscriptions to raise more than \$3.5million.

2.8 Australian Stock Exchange Listing

The Company will apply to ASX within 7 days from the date of this Prospectus for the Company to be admitted to the Official List and for Official Quotation of the Shares and attaching Options issued under this Prospectus and the existing Shares other than those existing Shares that are, or that ASX is likely to treat as restricted securities as defined in ASX Listing Rules.

If granted, Official Quotation of the Shares and Options will commence as soon as practicable after their allotment to subscribers.

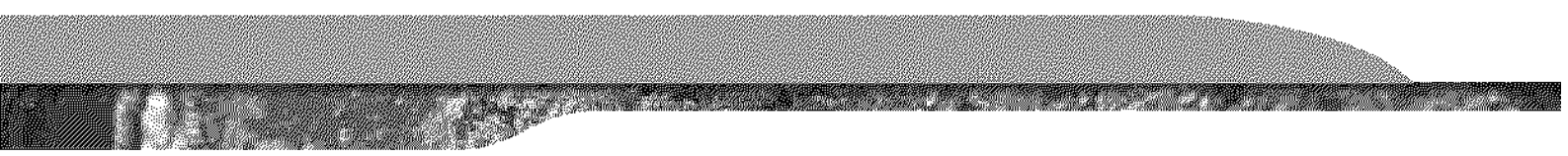
ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit the Company to the Official List is not to be taken in any way as an indication by ASX of the merits of the Company or the Shares and Options offered under this Prospectus.

If the Company is not admitted to the Official List within 3 months after the date of this Prospectus, none of the Shares and Options offered under this Prospectus will be allotted and all application monies will be refunded without interest as soon as practicable. Application monies will be held in a separate bank account in trust for the Applicants until allotment occurs.

2.9 CHESS System

Upon the Company being admitted to the Official List of ASX, it will be admitted to participate in CHESS in accordance with ASX Listing Rules and ASX Market Rules. On admission to CHESS, the Company will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

The Company will not issue certificates to shareholders. Instead, shareholders who elect to hold their Shares and Options on the issuer-sponsored sub-register will be provided with a holding statement (similar to a bank account statement) which sets out the number of Shares and Options allotted to them under this Prospectus. For shareholders who elect to hold their Shares and Options on the CHESS sub-register, the Company will, on allotment, issue an advice to shareholders that sets out the number of Shares and Options allotted to the shareholder and at the end of the month following the allotment, CHESS (acting on behalf of the Company) will provide shareholders with a holding statement that confirms the number of Shares and Options allotted.



A holding statement (whether issued by CHESS or the Company) will also provide details of a shareholder's Holder Identification Number (in the case of the holding on the CHESS sub-register) or Shareholder Reference Number (in the case of a holding on the issuer sponsored sub-register). Following distribution of these initial holding statements, a holding statement will only routinely be provided at the end of any subsequent month during which the balance of the shareholder's holding of securities changes.

2.10 Non-Resident Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or extend such an invitation.

No action has been taken to register or qualify the Shares and Options or the Offer or otherwise permit a public offering of the Shares and Options in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore, persons outside Australia who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue of Shares to them under this Prospectus.

2.11 Privacy Act

The Company collects information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mail houses), the ASX, the ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information (name, address and details of the securities held) about the security holder in its public register. This information must remain in the register even if that person ceases to be a security

holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

2.12 Enquiries

Questions relating to the Offer can be directed to the Company on 08 9474 5453. Questions relating to completion of the Application Form can be directed to the Share Registry on 08 9221 7288.

Section 3: Management Profiles



Angelo Franceschi
Nicholas Smith

Greg Bromley
Gilbert George

CHAIRMAN (NON EXECUTIVE)

GILBERT CHARLES GEORGE BSc Agric (Hons) (UWA), MEd (Hitotsubashi University, Japan)

Mr George is aged 54 and is an economist by training. For many years he filled senior Australian Government positions in Australia and Japan and since 1988 he has operated his own business development consultancy.

He has provided strategic advice to companies in Australia, Africa, Japan, the United States and Europe and has been involved in over \$250 million of new investment in Australia in the resources, IT, food processing and service sectors.

He is Chairman of Malawi Minerals Limited and has held a number of other directorships in resource, property and utility/infrastructure companies. He has been a member or delegate of a number of State government and international advisory committees, including the Asian Round Table.

Charitable activities have included membership of the fundraising committees of the Diabetes Research Foundation, Anglicare and the WA Ballet Foundation.

MANAGING DIRECTOR

GREGORY JOHN BROMLEY ARMIT, FAIMM, CPGeo

Mr Bromley is aged 54 years, and is a geologist with some 30 years of varied experience in the Australian and international mining and exploration industry as an exploration geologist, a manager, a consultant and senior executive.

His early career was with the CRA Group (now RTZ) where he undertook exploration project assignments in WA and NSW and participated in the discovery of gold in the Labouchere area, diamonds in the West Kimberley and nickel at Honeymoon Well. His last position was Principal Geologist – Murchison WA.

In 1987 he joined the Normandy Mining Group and for approximately the next ten years he filled a number of senior roles including Exploration Manager for WA, Group Technical Manager for the Exploration Division and Consultant Geologist in Europe, Africa and the Americas.

Since 1996 he has been the principal of Bromley & Co, Consulting Geologists operating locally and in Africa, Asia and Latin America. This has included management of the Agbaou gold project in Cote d' Ivoire, assignments at the Chirano gold project in Ghana and the Kroonduin platinum project in South Africa. He most recently has consulted to Sipa Resources in their local exploration and business development programs.

He is a director of unlisted Plateau Resources Limited.



DIRECTOR (NON EXECUTIVE)

NICHOLAS JAMES SMITH LL.B

Mr Smith is aged 52 and is a solicitor by training who has spent most of his working life in the corporate/commercial area. He has extensive business experience both within Australia and offshore.

Between 1987 and 1999 he was Group General Counsel for the Normandy Mining Group where he was responsible for the Group's legal function including the legal aspects of the Group's M&A and project acquisition program both on and off shore.

Since 1999 he has been the principal of Portcullis Corporate Advisory Pty Ltd a provider of corporate and strategic advice.

He is a director of Red 5 Limited and NiQuest Limited.

COMPANY SECRETARY

ANGELO FRANCESCA B BUS CPA TIA

Mr Francesca aged 33 is a certified practising accountant with ten years experience in public practice. He is a director and equity holder of eks SOLUTIONS, an internationally affiliated medium sized accounting practice. He has provided client support across a wide range of industries including mining and exploration to private and public companies.

Section 4: Capital Structure

The table below sets out the proforma capital structure of the Company to reflect the issued and paid up capital structure if the offer pursuant to this Prospectus is fully subscribed.

4.1 Shares

	Number of Shares	Paid up Issued Capital
Shares currently on Issue	26,587,395	\$1,202,687
Issue of Shares as vendor consideration ¹	2,050,000	\$410,000
Shares offered under this Prospectus	15,000,000	\$3,000,000
Less Expenses of the Offer		(\$250,000)
Total issued capital ²	43,637,395	\$4,362,687

4.2 Options

As part of the Offer the Company will issue the following options:

	Number of Options	Exercise Price	Expiry Date
Currently on issue	nil		
Now offered under this Prospectus	7,500,000	20c	Admission to Official List +18mths
Total number of Options ²	7,500,000		

The terms and conditions of the Shares and the Options are summarised in Section 11 of this Prospectus.

Notes:

- ¹ Details of shares to be issued as vendor consideration and the rights attached thereto are set out in Sections 8 and 11 of the Prospectus.
- ² This assumes that the Offer is fully subscribed. The Directors reserve the right to accept oversubscriptions by issuing up to an additional 2,500,000 Shares for \$500,000. If the minimum subscription is achieved and the Directors accept oversubscriptions by issuing an additional 2,500,000 Shares, then the total issued shares on completion of the Offer and after the issue of shares as vendor consideration will be 46,137,395. Similarly, if the Directors accept oversubscriptions by issuing an additional 2,500,000 Shares then the total Options on issue after completion of the Offer will increase from 7,500,000 to 8,750,000.

4.3 Restricted Securities

Subject to the Company being admitted to the Official List, certain of the existing Shares on issue are likely to be classified by ASX as restricted securities and will be required to be held in escrow in accordance with the Listing Rules. The ASX may at its absolute discretion impose an escrow for a period of up to twenty-four months on securities issued to promoters, directors and related parties, seed capitalists and vendors of classified assets.

From the Board's understanding of the Listing Rules and subject to the absolute discretion of the ASX, it is expected that ASX will form the following view on restricted securities (assuming that the minimum subscription is reached):

	Shares	Options
Freely Tradeable	20,666,176	7,500,000
Escrowed for 12 months from the date of issue	10,765,772	nil
Escrowed for 24 months from Official Quotation	12,205,447	nil
Total	43,637,395	7,500,000

Section 5: Company and Project Overview

5.1 Brief History and Location

Mindax was incorporated as Bronick Limited on 30 October 2003 in Perth for the purpose of acquiring or securing the rights to acquire prospective exploration and mining permits in Western Australia. Bronick Limited changed its name to Mindax Limited ("Mindax") on 18th December 2003.

During January 2004 Mindax raised seed capital of \$505,000 by way of share placements. During July and August 2004 additional seed capital of \$628,235 was raised by way of a rights issue and share placement program.

The funds raised have been applied to progressively acquiring of the Company's project portfolio, commencement of exploration across the portfolio and operational working capital.

The key projects currently held by Mindax are located in the East Murchison at Bulga Downs, southeast of Sandstone, at Meekatharra in the Murchison District and at Mt Alexander near Copperfield in the Eastern Goldfields District.

5.2 Objectives and Strategy

To achieve these objectives, the Company intends to implement a comprehensive exploration program aimed at identifying commercial targets, and developing existing and future opportunities within its tenements.

The Company intends:

- to quickly build its resource base at Paradise Bore on Bulga Downs by drilling adjacent to Paradise Bore and along the 10 km Cabaret Trend,
- to consolidate and drill gold anomalies to the south at Panhandle, and
- to develop systematic exploration coverage to the north at Maynard Hills particularly along the Edale fault adjacent to the recent Lords discoveries of Troy Resources.

In the medium term wider opportunities will be canvassed on the Company's other project areas:

- develop drilling targets for gold within the Meekatharra North project area
- develop targets for nickel within the Mt Alexander project area.

The Company has planned a two-year staged exploration strategy for the tenements, involving analysis of the existing geochemical, geological and remote sensing data, targeting with ground-based geological, geochemical and geophysical investigations, and the drilling of selected targets.

Mindax intends to continually monitor its exploration program to ensure that it adopts the most efficient and cost-effective approach following ongoing review of the results at each stage of the program. The Company will target mineralisation that has the prospect of satisfying the Company's objectives for profitable mining projects.

The Company also intends to diligently review any acquisition opportunities that may further promote the attainment of the Company's objectives.

5.3 The Tenements

For further details, please refer to the Independent Geologist's Report in Section 7 of this document.

5.3.1 Bulga Downs

The Bulga Downs Project covers 314 km² in area and is located approximately 105km southeast of Sandstone, immediately east of the Sandstone-Menzies road and hosts the Paradise Bore gold resource. This project is central to a regional play covering some 1,100 km² along the Edale-Itlara fault system, some 150 km of semi-contiguous prospective greenstones. Paradise Bore is a significant discovery in an otherwise unproductive greenstone terrain.

There appears no indication of successful gold prospecting in the Bulga Downs area prior to 1980. Mark Creasy prospected the area in the early 1980's and panned free gold in drainages in the wider area. Creasy in joint venture with Norgold undertook initial geochemical exploration and drilling and then relinquished their tenements.

The area was taken up by Anglo Australian Resources NL who then entered into a joint venture with Sipa International Resources NL in 1991. Sipa carried out further geochemical sampling that progressively generated drilling targets along the now Cabaret Trend, a substantial gold geochemical anomalous zone of 10 km length. Follow up drilling identified high-grade gold mineralisation at Paradise Bore, Toucan, Macaw and Bulga Downs North. In all 205 holes have been completed along the Cabaret Trend for a total of 14,300 metres drilled. Fifty-eight of these contain intercepts of >3g/t Au ranging up to 60g/t Au.

The Paradise Bore near surface gold resource was identified in 1995. This now stands at 400,000 tonnes grading 2.8g/t Au for contained 36,000 oz (inferred) but contains a higher grade core. Subsequent deeper drilling has greatly improved geological understanding and the high-grade intercepts suggest that there is potential to develop economic shoots at depth beyond the 36,000 oz already inferred. Recent structural work indicates a modest north plunge to the mineralisation that will be applied to drill hole design, particularly off the northern end of the oxide resource. Further geochemistry indicates an off set southern extension of the mineralisation to the west of the expected lode position.

Away from Paradise Bore only the major geochemical anomalies have been drilled and significant lengths of the Cabaret Trend remain untested. It is anticipated continued exploration along the trend will reveal supplementary near surface ore and further shoots with underground mining potential. Key targets are clearly positions such as Toucan, Bulga Downs North and Macaw where mineralisation is already defined. Cassowary is the main untested geochemical anomaly and has recently been upgraded to 600m length by Mindax geochemical sampling.

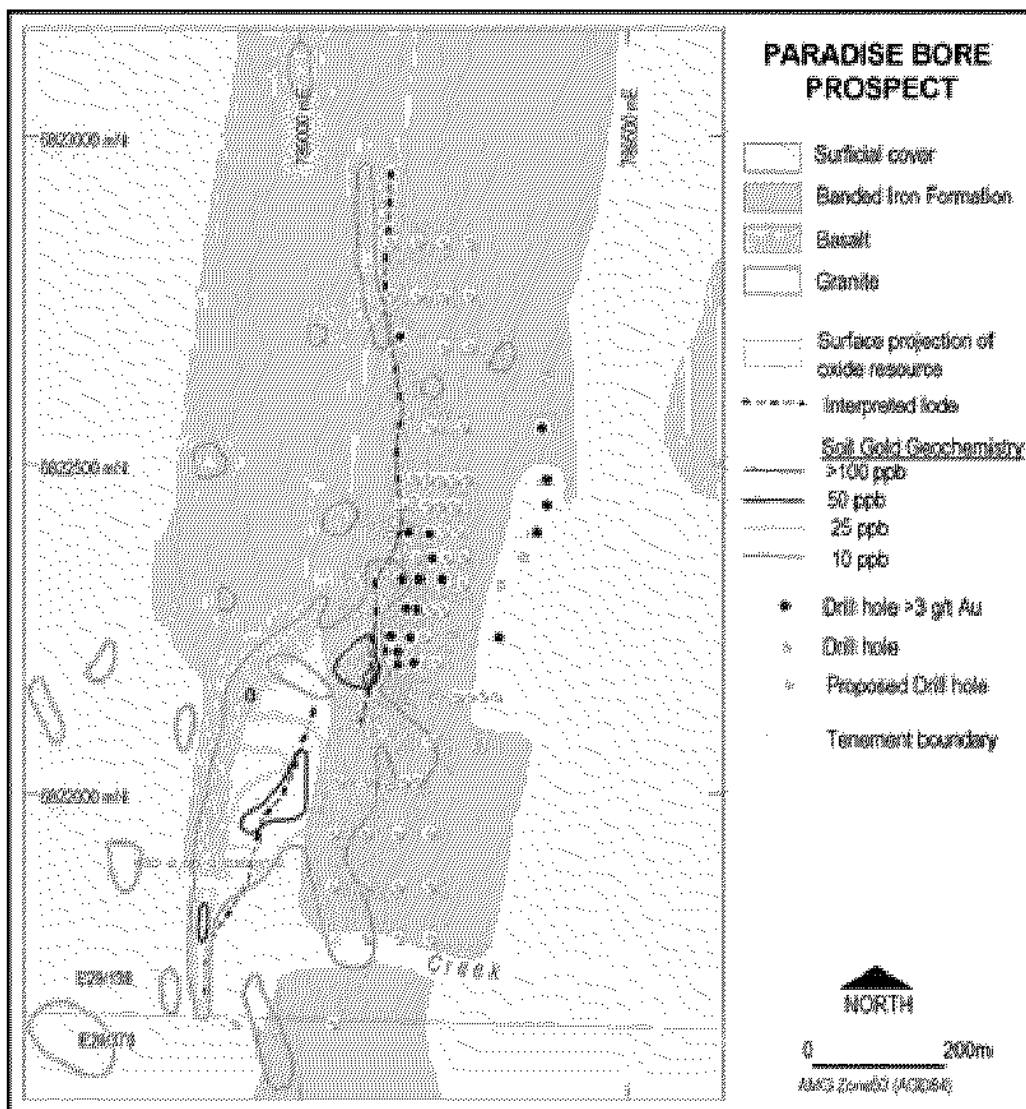


Figure 1: Paradise Bore Prospect

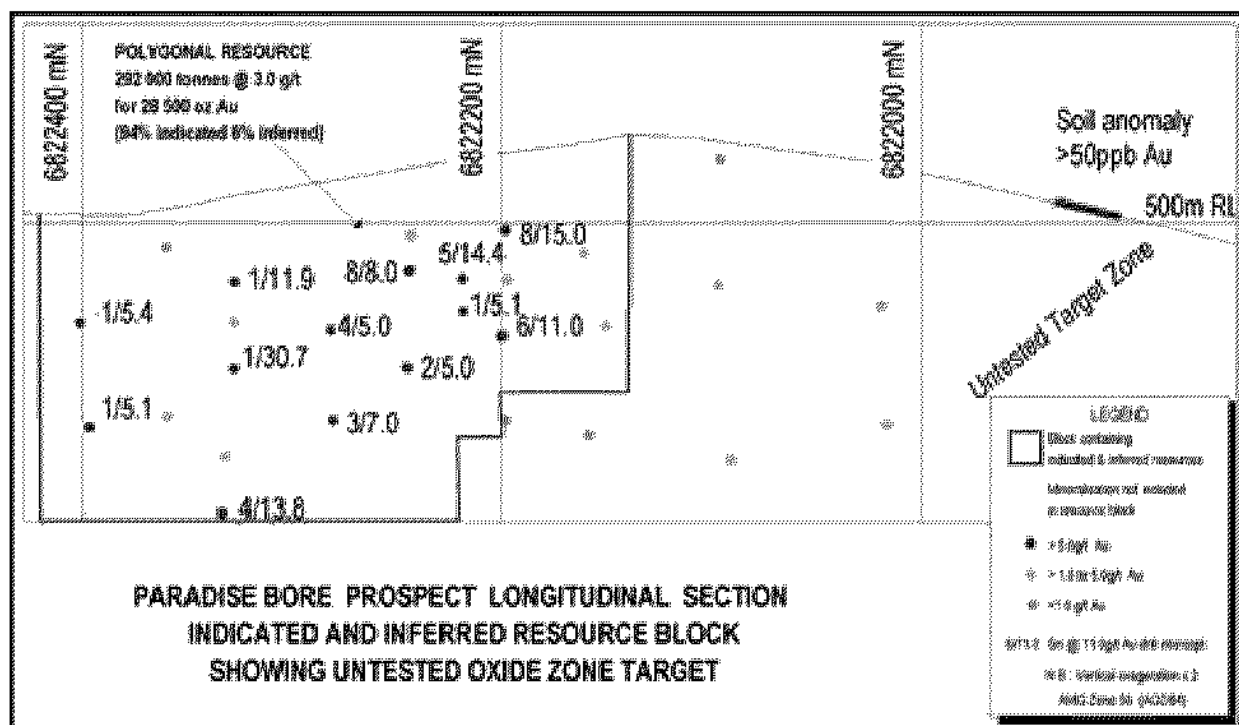


Figure 2: Long Section Paradise Bore Oxide Resource

An exploration strategy has been devised for the area including:

- Initial structural studies of outcrop and core at Paradise Bore (already in progress)
- Infill and extension of the existing Paradise Bore resource position (figs 1, 2)
- Further definition internally and at the extremities of the Paradise Bore mineralised structure
- Redevelopment of an integrated regolith geochemical and geological model along the Cabaret Trend
- Extension of drilling at Toucan (fig 4), Macaw North, Macaw and Bulga Downs North (fig 5) based on structural modelling
- Drilling of the Cassowary anomaly (fig 3) and other geochemical positions along the Cabaret Trend, which to date have not been drilled at all
- Extending reconnaissance geochemical coverage throughout the Bulga Downs block, particularly over the Edale-Ilara fault positions

5.3.2 Panhandle

Panhandle is centred southwest of Paradise Bore and occupies an area of 102 km². The area lies along the Edale fault and covers a structurally disrupted sequence of greenstones partly incised by Lake Bartlee.

Occasional pits, often with copper staining indicate some early prospecting through the area. Exploration by Esmeralda in the early 1980's targeted positions within banded iron formation and generated sub-economic gold drill intercepts. Rock chip sampling elsewhere confirms a spread of mineralised veins. More recent systematic geochemistry by Sipa and most recently by Mindax has identified cohesive patterns of gold anomalism clustered around a late stage felsic intrusive. The most significant of these are Lesley, Gladys and Charlotte over the 3 km trend anomalous in gold and copper to the north of Panhandle Well.

The Panhandle Project has good prospectivity with any discovery having immediate strategic significance to the resource base at Paradise Bore. The exploration strategy for the area is to:

- Direct initial drilling along the Panhandle Well goldtarget zone
- Extend geochemical coverage to the northern boundary of the tenement
- Develop further drilling targets from the database

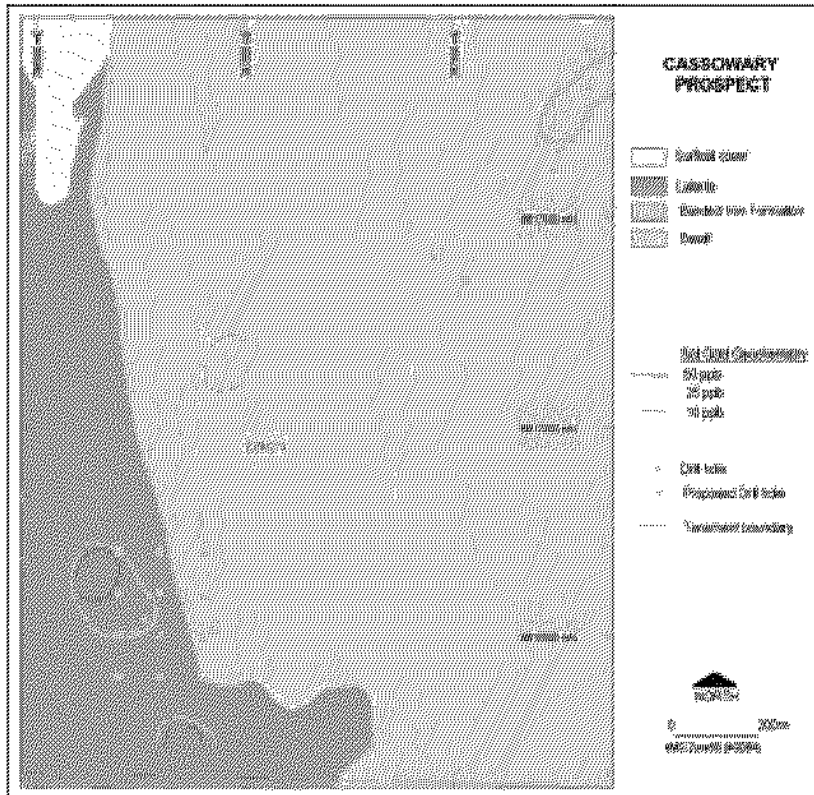


Figure 3: Cassowary Anomaly

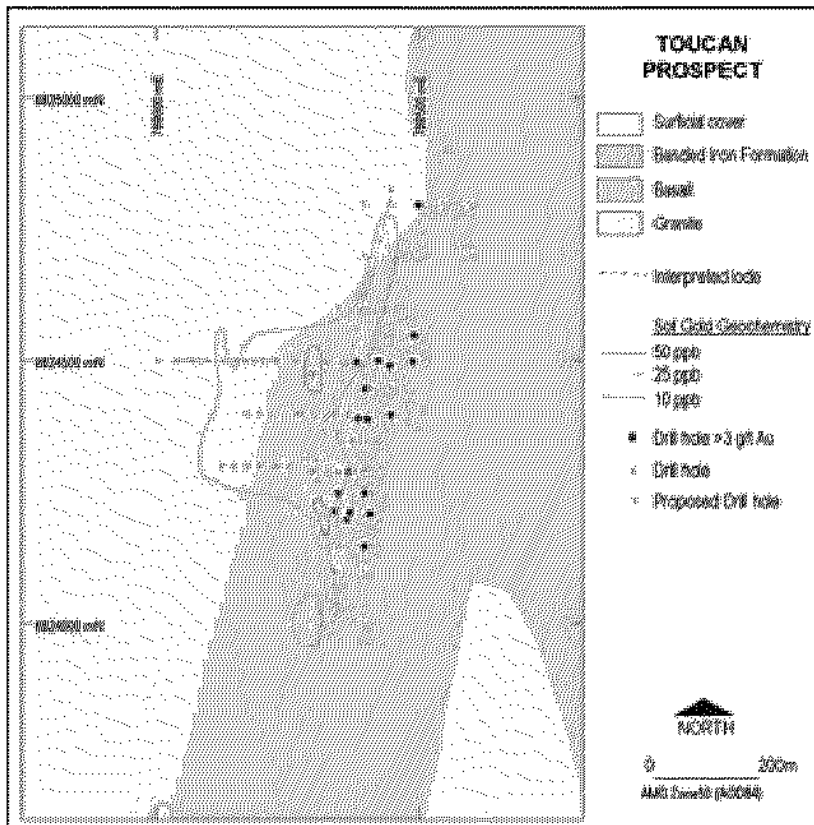


Figure 4: Toucan Prospect

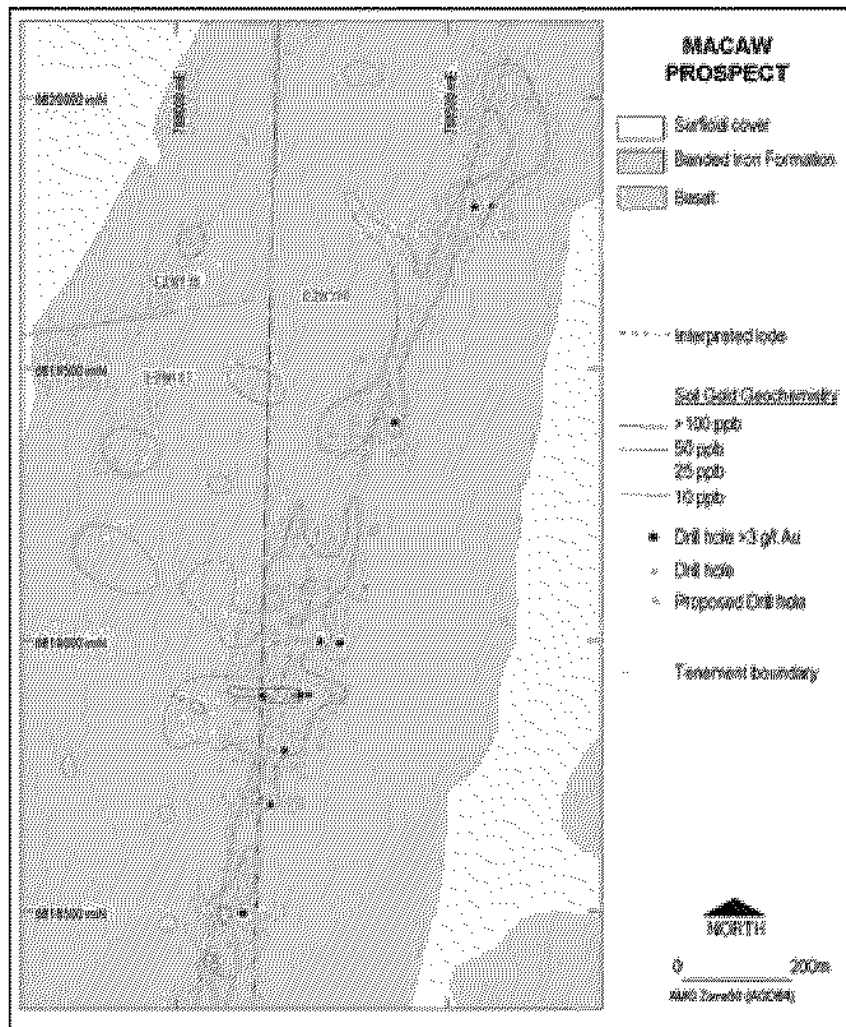


Figure 5: Macaw Prospects

This work has commenced with rock chip sampling on Gladys Prospect yielding up to 1.3% Cu. Six shallow RAB holes have partly tested the position but the program has been postponed pending the availability of a larger drill rig.

5.3.3 Maynard Hills

The Maynard Hills Project comprises a group of contiguous tenements abutting the northern boundary of Bulga Downs and extending along the structural corridor towards Sandstone. It covers 75 km of strike of the Maynard Hills and Cook Well greenstone belts, encompassing an area of 735 km².

The recent Lord Henry and Lord Nelson discoveries by Troy Resources lie 5 km to the west of the northern part of the project area associated with granodiorite and greenstone lithologies. Recent announcements by Troy indicate 3.7 million tonnes grading 2.7g/t for 319,000 oz to a depth of 60m below surface. This is predominantly oxide mineralisation, obviously open at depth and represents a significant new discovery in WA.

The first recorded indication of gold was from Mark Creasy's activities in the early 1980s. He detected particulate gold in the drainages (cf Bulga Downs). There was some earlier nickel exploration and later a number of localised exploration programs for gold. This information has been collated and allows a number of conclusions:

- There are indications of gold mineralisation along greenstones, along structure and also within the core gneiss zone.
- Some of these results in stream and soil compare favourably with anomaly thresholds at Paradise Bore
- There is a need for systematic exploration of the area.

Mindax considers the Maynard Hills area a very significant holding of relatively under-explored greenstone. The technical strategy will be two pronged:

- To verify and develop targets identified from public domain data
- To generate systematic geochemical coverage of the belt as a whole.

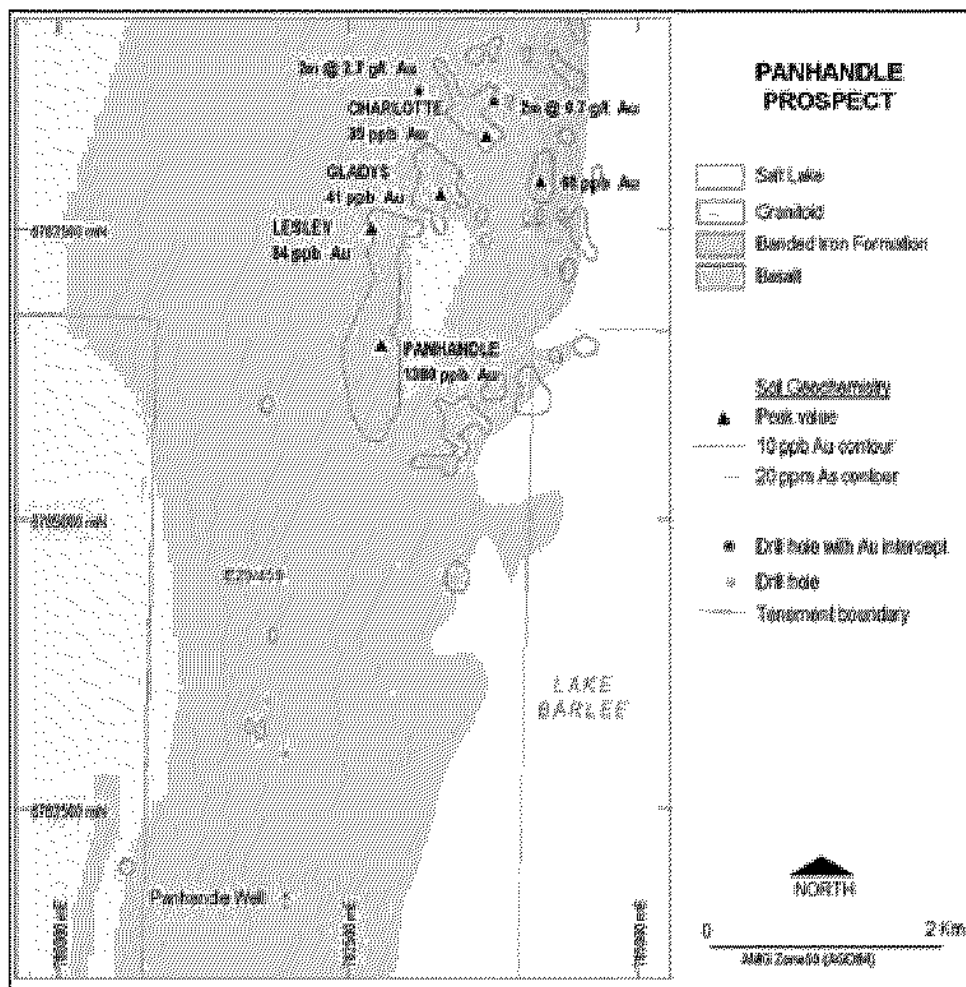


Figure 6: Panhandle Well Au/As Anomaly

This work has already commenced with systematic drainage and soil sampling underway throughout the area. To date this has generated a best drainage BLEG result of 4.7ppb Au in E57/552 and also a number of other target areas throughout the project area. Reconnaissance RAB drilling on the Creasy 1 gold in soil target in the north-east of E57/551 has returned an encouraging best intercept of 3m @ 1.45g/t Au. Aeromagnetic surveying is also in progress.

5.3.4 Meekatharra North

The Meekatharra North Project is an exploration licence application over 200 km² centred about 20 km to the northeast of Meekatharra townsite along and to the east of the Great Northern Highway.

In regional geological terms, the Project lies at the merging of the regionally significant Big Bell-Meekatharra and Mt Magnet-Meekatharra structural zones that are primary controls of mineralisation in the Murchison District. Locally, mines at Paddy's Flat and Bluebird have generated in excess of 5 million ounces of gold over the last 110 years.

While the area is close to Meekatharra, extensive cover has frustrated past prospecting. There are reports and indications of gold mineralisation associated with those windows of basement greenstone that do exist but until recently there had been no systematic attempt to explore the wider area.

Dominion, in part in joint venture with WMC, executed a broad exploration program through the 1990's. The major outcome of this work was the Andy Well gold mineralisation immediately to the north of the Mindax project area.

Within the area of the Meekatharra North Project 1,400 drill holes were completed aggregating 38,000m of drilling. Most were shallow with only 380 exceeding 30m depth and many of the lines were wide spaced. This work identified new zones of mineralisation that were subjected to some follow up. This significant new geological and geochemical knowledge, coupled with a very detailed aeromagnetic survey, provides a critical database from which to mount further exploration.

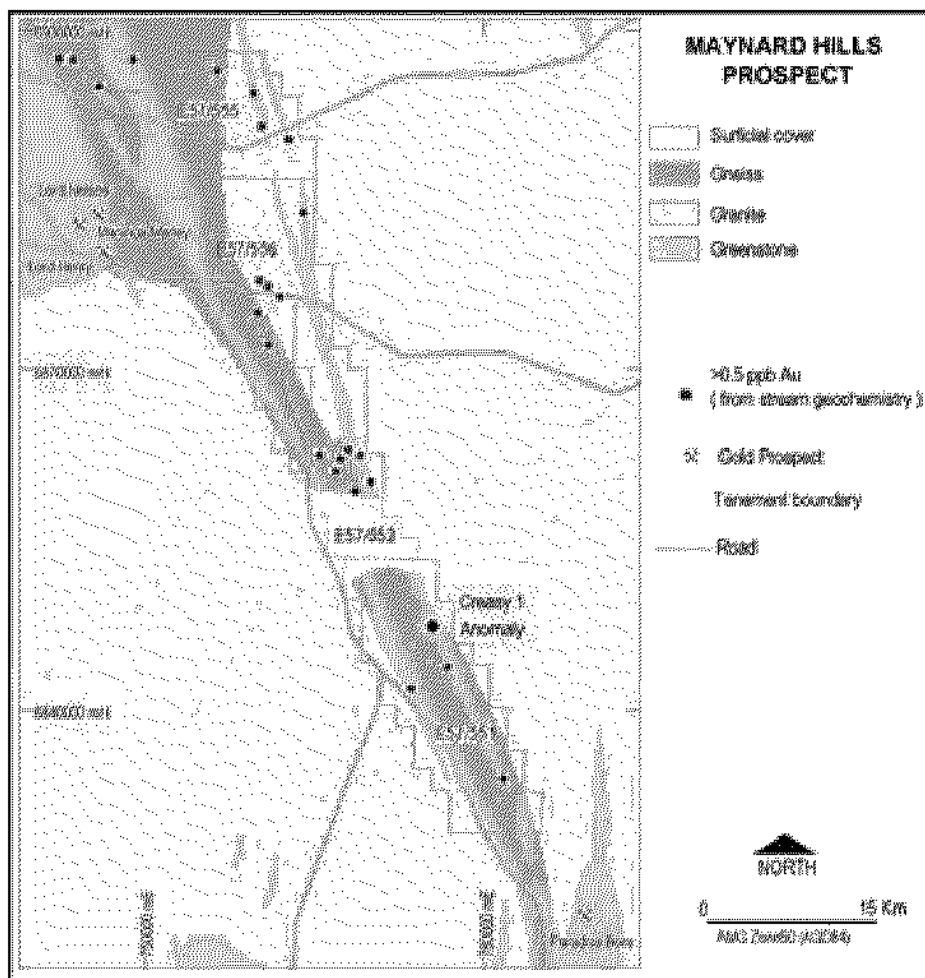


Figure 7: Maynard Hills Project

Mindax has reviewed this data and considers:

- The structures that control the Paddy's Flat mines can be traced through the area to Andy Well and beyond
- These structures are deflected about the late stage Emerald Well granitoid intrusion that shows similarities to the Norrie granite, significant to ore localisation at Bluebird to the south
- Geochemical coverage is coarse and does not exhaustively test these structural positions but does show areas of significant in-regolith gold anomalism.

Mindax considers this to be a particularly significant target area in a regional sense and with the proximity of important mines, to be an excellent opportunity to build on a significant high quality database. The strategy envisaged will be to build a regolith geochemical model integrated with the structural information and to infill and extend the existing drilling pattern from this new base level.

5.3.5 Mt Alexander

The Mt Alexander Project is an exploration licence application over 35 km² located 50 km southeast of Paradise Bore and 95 km west of Leonora, in the Eastern Goldfields District. It covers part of the northern portion of the Mt Ida greenstone belt including the recognised nickel sulphide bearing Kurrajong-Mt Alexander ultramafic suite.

Exploration principally by WMC during the early 1970s identified gossans and generated narrow nickel sulphide intercepts immediately to the west of the Mindax project area. This mineralisation is now being explored by WMC Resources and Western Areas in joint venture.

The Mindax project area includes some 5 km strike length of ultramafic which may represent a fault displaced section of the ultramafic that hosts the mineralisation referred to above. There has been limited exploration of this belt. Two early holes were drilled, one of which intercepted sulphides [1200 ppm Cu, 550 ppm Ni] associated with sediments interleaved with ultramafics.

A strategy of mapping and geophysics is proposed to define targets for drilling.

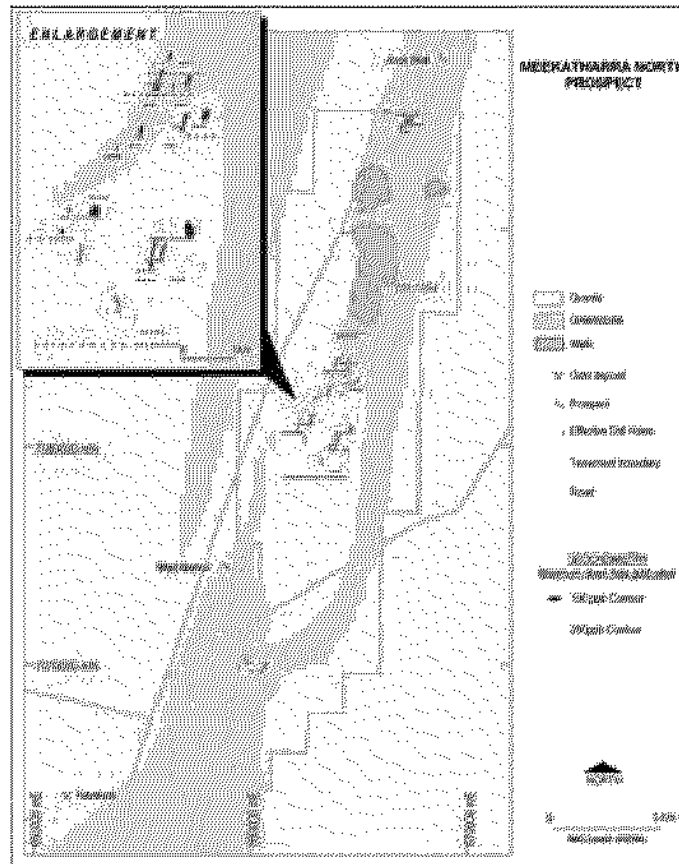


Figure 8: Meekatharra North Project

5.4 Proposed Budget

The Company proposes to adopt the following base budget in relation to carrying out the exploration program and the development of its tenements. This program assumes the minimum funds raised as described in Section 1.4 and will be adjusted to take account of oversubscriptions:

	Year 1	Year 2	Total
Geochemical Surveys	75	75	150
Geophysical Surveys and Interpretation	55	50	105
Drilling	680	655	1335
Geological and Regolith Studies	70	70	140
Land Access	60	60	120
TOTAL	940	910	1850

The proposed expenditure will be refined to suit the results of the programs as they proceed, and will significantly exceed the statutory minimum expenditure requirements on the Tenements.

5.5 Proposed Timetable

It is proposed that the following program* is adopted over the first six months from the time of listing:

- Drilling commences at Paradise Bore, Cassowary
- Drilling at Panhandle
- Geochemistry through Maynard Hills
- Drilling commences at Toucan
- Maynard Hills Drilling

* This timetable is indicative only.

Section 6: Risk Factors

The Shares and Options offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company. Whilst the Directors commend the Offer, potential investors should consider whether the Shares and Options offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offer.

6.1 General Economic Risks and Business Climate

Share market conditions, may affect the listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in or outlook on interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors; and
- the demand and supply for capital.

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest.

6.2 Exploration, Development, Mining and Processing Risks

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;

- securing and maintaining title to tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

6.3 Native Title

The *Native Title Act 1993 (Cth)* recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not extinguished by the grant of mining licences, as they are not considered to be grants of exclusive possession. A valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

All tenements granted prior to 1 January 1994 are valid or validated.

Tenements granted between 1 January 1994 and 23 December 1996 may be invalid if they fail to comply with the Native Title Act or for certain other reasons because of native title. However, such invalid tenements may be validated if certain statutory criteria are met.

For tenements to be validly granted (or renewed) after 23 December 1996 the special "right to negotiate" regime established by the Native Title Act must be followed.

The tenements held by Mindax include E29/117 and E29/138 which were granted prior to 1994, and E29/279 which was granted in April 1996. Other tenements have been secured subsequent to 23 December 1996.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company is obliged to comply with Aboriginal heritage legislation which requires heritage survey work to be undertaken ahead of the commencement of mining operations.

A discussion of native title and the claims is contained in the Solicitor's Report in Section 8 of this Prospectus.

6.4 Risks Specific to the Company Projects

The Company Projects represent the main business activity and focus of the Company. Risks specific to these projects include the following:

6.4.1 Resource Estimate

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could have either a positive or negative affect on the Company's operations.

6.4.2 Operating Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- limitations on activities due to seasonal weather patterns and cyclone activity;
- alterations to Joint Venture programs and budgets;

- unanticipated operational and technical difficulties encountered in seismic survey, drilling and production activities;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals.

6.4.3 Environmental

The Company's projects are subject to Western Australian and Commonwealth laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

6.4.4 Title

All the Tenements in which the Company has an interest will be subject to applications for renewal. The first renewal is as of right and thereafter any subsequent renewal of the term of each Tenement is at the discretion of the Minister under the Mining Act 1978 (WA).

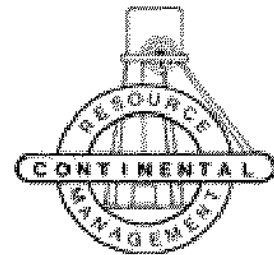
If a Tenement is not renewed, the Company may suffer significant damage through loss of the opportunity to discover and/or develop any mineral resources on that Tenement.

For more details on the issue of title, refer to the Solicitor's Report in Section 8 of this Prospectus.

CONTINENTAL RESOURCE MANAGEMENT PTY LTD

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27 September 2004

The Directors
Mindax Limited
171 South Terrace,
COMO, WA, 6152

Dear Sirs,

CONSULTING GEOLOGISTS' REPORT

This report has been prepared by Continental Resource Management Pty Ltd (CRM) for inclusion in a Prospectus to be dated on or about 12th October, 2004 relating to the offer by Mindax Limited (Mindax) of up to 17.5 million fully paid ordinary shares of 20 cents each, payable in full on application.

Mindax has assembled a portfolio of tenements in the Eastern Goldfields and Murchison regions of Western Australia, the areas of which are at variable stages of exploration. The principal commodities sought are gold and nickel. The agreements, status and interests held by Mindax in the properties are set out elsewhere in this Prospectus.

CRM's assessment of the properties included in the Prospectus is based upon technical and cost information provided by Mindax. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous title holders to the areas, where it has been considered necessary. CRM has endeavoured, by making reasonable enquiries, to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure CRM had access to all relevant technical and other information.

It is the opinion of CRM that the properties described in this Prospectus are worthy of continued exploration and are located in areas where there is reasonable expectation for locating economic mineralisation. The programs and budgets proposed for the projects are based on the minimum subscription of \$3m and are appropriate. In the event of more than the minimum subscription being achieved the planned drilling programs could be expanded. It is not possible to accurately determine the outcome of exploration and considerable variation to the proposed exploration program and budget may be required as new data becomes available. We have visited all of the project areas in the course of our review, except for Mt Alexander, which was visited by Dr Chisholm on a previous occasion.

The statements contained in this report are given in good faith and have been derived from information believed to be reliable and accurate, and supplemented by our own investigations. We have relied upon this information and have no reason to believe that any material facts have been withheld from us. We do not imply that we have carried out any type of audit on the technical, accounting or other records of Mindax or that our assessment has revealed all of the matters which an audit or more extensive examination might disclose at the date of this report. All references to mineral resources and reserves are consistent with the Australasian Code for Reporting of Identified Mineral Resources and Reserves (The Code) as recommended by the Report of the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

This report was prepared by

J.M. Chisholm BSc (Hons), PhD, FAusIMM, FAIG, CP Geo
Consulting geologist

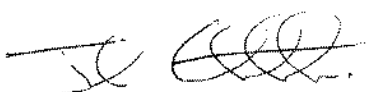
with assistance from J.J.G. Doepel BSc (Hons), GradDipForSc, DipTeach, MAusIMM, MGSA, consulting geologist, a member of the professional staff of CRM.

Dr John Chisholm holds a Bachelor of Science degree (Geology) from the University of New England and a Doctorate of Philosophy (Applied Science) from the University of New South Wales and is a Fellow of both the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He also has Chartered Practising Status in geology with the AusIMM. On completion of his studies he lectured at the University of Western Australia and Curtin University in economic geology and geochemistry. Dr Chisholm subsequently worked in senior positions for Texasgulf Australia and Elf Aquitaine in base metals and Getty Oil Development Company Ltd for gold. In late 1984 he joined Western United Mining Services Pty Ltd as geological manager later becoming managing director. Since 1989 he has been a principal geologist in the consulting firm Continental Resource Management Pty Ltd. He has 25 years extensive experience in exploration, assessment and development of gold, base metals and heavy minerals in Australia, West Africa, Southeast Asia and countries of the former Soviet Union.

John Doepel has 25 years experience in the mineral industry as a geologist. He has carried out exploration on numerous projects including many resource estimations. Mr Doepel holds a Bachelor of Science with Honours and a Graduate Diploma of Forensic Science from the University of Western Australia and a Diploma of Teaching from Curtin University. He is a Member of the Geological Society of Australia and of the Australasian Institute of Mining and Metallurgy. He has worked primarily as a project geologist, exploring for a wide variety of minerals, especially gold and base metals in the Archaean and Proterozoic of Western Australia.

CRM has given and has not at the time of lodgement of this Prospectus withdrawn its consent to the issue of the Prospectus with this report included in the form and context in which it appears.

Yours sincerely



Dr J.M. Chisholm
Director

Contents

Summary	23	Figures	
Bulga Downs Project	25	Figure 1: Project location plan	23
Introduction	25	Figure 2: Regional geological setting	24
Tenements	25	Figure 3: Bulga Downs Project – Image of soil gold geochemistry	26
Geological setting	25	Figure 4: Paradise Bore Prospect – Geology and drill hole locations	27
Previous and current exploration	25	Figure 5: Paradise Bore Prospect – Drill section 6822400N	28
Paradise Bore deposit	26	Figure 6: Paradise Bore deposit – Longitudinal section	29
Other prospects	29	Figure 7: Maynard Hills Project – Location of geochemical anomalies	32
Exploration potential	30	Figure 8: Panhandle Project – Location of geochemical anomalies	35
Proposed exploration and budget	31	Figure 9: Meekatharra North Project – Regional geological setting	37
Maynard Hills Project	31	Figure 10: Meekatharra North Project – Geological interpretation	38
Introduction	31	Figure 11: Mt Alexander Project – Geological setting	40
Tenements	31	Tables	
Regional setting	32	Table 1: Bulga Downs Project – Tenement summary	25
Previous and current exploration	33	Table 2: Paradise Bore deposit – Best drill intersections	27
Exploration potential	34	Table 3: Toucan Prospect – Best RC drill intersections	30
Proposed exploration and budget	34	Table 4: Macaw, Macaw North, and Bulga Downs North Prospects	30
Panhandle Project	34	Table 5: Maynard Hills Project – Tenement summary	31
Introduction	34	Table 6: Panhandle Project – Best drill intersections	35
Tenements	34		
Regional setting	34		
Previous and current exploration	34		
Exploration potential	36		
Proposed exploration and budget	36		
Meekatharra North Project	36		
Introduction	36		
Tenements	36		
Geological setting	36		
Previous exploration	37		
Exploration potential	38		
Proposed exploration and budget	39		
Mt Alexander Project	39		
Introduction	39		
Tenements	39		
Geological setting	39		
Previous exploration	40		
Exploration potential	41		
Proposed exploration and budget	41		
Declarations	41		
Glossary of geological and technical terms	41		

Summary

Mindax Limited (Mindax) has assembled three groups of mineral tenements in the Western Australian Goldfields, which are prospective for gold, nickel, and other base metals. In the East Murchison a group of three projects, the Bulga Downs, Maynard Hills, and Panhandle Projects, is centred on Bulga Downs between Sandstone and Menzies. In the Murchison the Meekatharra North Project is centred 30km northeast of Meekatharra, and in the Eastern Goldfields the Mt Alexander Project is approximately 110km northwest of Menzies (Figure 1).

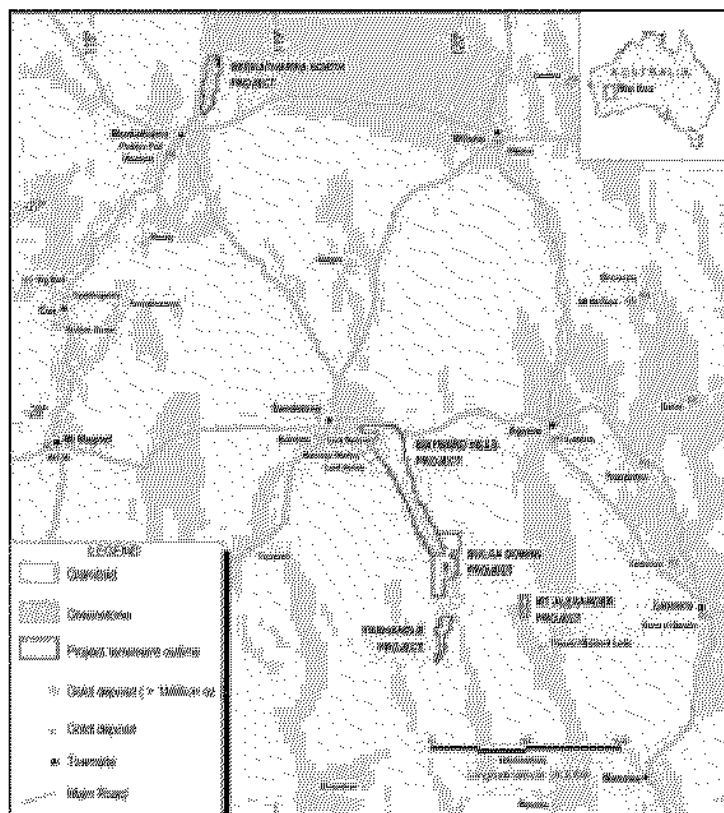


Figure 1 Project location plan

The Bulga Downs group of projects is comprised of 12 tenements, which cover approximately 85km of strike length of the Maynard Hills Greenstone Belt and 115km strike length of the Cook Well Greenstone Belt. The tenements cover a semi-contiguous area of 1,151km². The area is centred on the recent Paradise Bore gold discovery, the first significant deposit discovered in the region. Three major structures, the Edale, Perrinvale, and Illara Faults, pass through the region and are considered to provide a focus for gold mineralisation (Figure 2).

The central Bulga Downs Project is comprised of seven tenements, totalling 314km² in area. It includes the Paradise Bore gold deposit, which contains an identified inferred resource of 400,000t at 2.8g/t Au for 36,000oz Au. A number of gold-in-soil anomalies occur along strike from the deposit, some of which have been tested by preliminary drill programmes, and have produced significant intersections of gold mineralisation. The trend is prospective for the development of further resources.

The Maynard Hills Project, comprised of four exploration licences totalling 735km² in area, covers 75km strike length of each of the Maynard Hills and the Cook Well Greenstone Belts, to the north of the Bulga Downs Project tenements. Minor gold indications have been discovered by prospecting and early stage exploration along the belts. To the south of the Bulga Downs tenements, the Panhandle Project is a single exploration licence, of 102km², which covers a wide section of the Cook Well Greenstone Belt. Significant rock chip values and drill intersections of gold have been obtained from the project area.

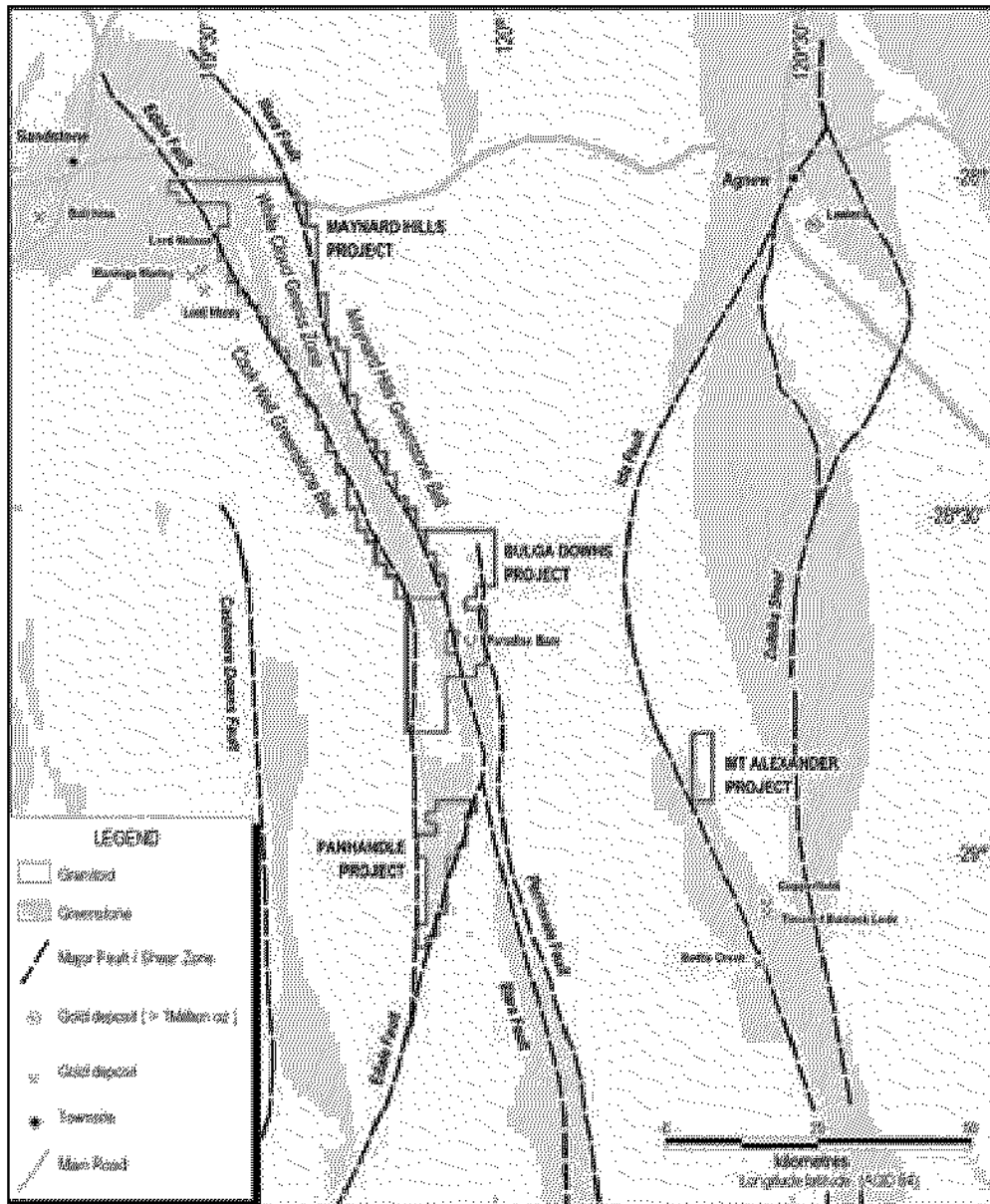


Figure 2 Regional geological setting

The Meekatharra North Project is an exploration licence application, which covers over 200km² to the northeast of Meekatharra. The tenement covers the northern continuation of the greenstone belt that contains the major Meekatharra and Bluebird gold deposits. It also contains the continuations of the major structures that host other major mines further south in the vicinities of Cue and Mt Magnet. Previous work within the tenement has identified geochemical and structural targets for gold mineralisation that have not been fully tested.

The Mount Alexander Project is also an exploration licence application. It covers 35km² of the northern portion of the Mt Ida Greenstone Belt, about 95km west of Leonora. The belt contains a number of ultramafic units, one of which is within the tenement area. Drilling in a parallel unit to the west of the tenement has intersected nickel sulphide mineralisation. The tenement is prospective for both nickel and gold mineralisation.

Bulga Downs Project

Introduction

The Bulga Downs Project is located on Bulga Downs Station, about 105km southeast of Sandstone and 160km northwest of Menzies, and is accessed via the unsealed Sandstone-Menzies Road.

Tenements

The project is comprised of seven tenements, which have a combined area of 313.7km². Six of the tenements are granted exploration licences, of which three are in the process of conversion to mining leases. The tenements are variously held by Sipa Exploration NL (Sipa), Anglo Australian Resources NL (AAR), and Plateau Resources Ltd (Plateau) and are the subject of various agreements with Mindax. The ownership and agreements are detailed elsewhere in this Prospectus. Table 1 summarises the holdings.

Table 1 Bulga Downs Project - Tenement summary

Tenement	Registered Holder	Status	Area (km ²)	Annual Expenditure
E29/117	AAR & Sipa	Granted 19-Dec-1990 (pending M29/258)	2.5	\$20,000
E29/138	Sipa	Granted 9-Sep-1991 (pending M29/257)	9.6	\$20,000
E29/279	AAR & Sipa	Granted 15-Apr-1996 (pending M29/314)	3.0	\$10,000
E29/370	Sipa	Granted 29-Nov-1999	36.2	\$20,000
E29/532	Sipa	Granted 29-Dec-2003	125.2	\$37,800
E29/533	Sipa	Application	111.1	N/A
E29/534	Plateau	Granted 20-Nov-2003	27.1	\$20,000
Totals			313.7	\$127,800

Geological setting

The project is situated over the Archaean Maynard Hills and Cook Well Greenstone Belts, with banded iron formation (BIF), chert, and mafic to ultramafic volcanics the predominant lithologies. Steep, prominent north-northeast trending ridges through the central-east part of the project area are formed by resistant banded iron formation units that are part of a tight southerly-plunging syncline. Tight minor folding and shearing, which is evident in places, indicates that the western flank of the syncline has been subject to significant structural disruption.

Previous and current exploration

There are no recorded old workings within the project area and even in recent time there has been very little exploration, apart from that over the banded iron formation ridges by Sipa and AAR.

In 1985-89 geochemical surveys by Mark Creasy and subsequently Electrolytic Zinc Company of Australasia Ltd (EZ) in joint venture with Norgold Ltd (Norgold) identified a number of gold geochemical anomalies that were not adequately followed-up. AAR completed further geochemical surveys which added considerably to the database. In 1991 Sipa farmed into the AAR ground and explored the area with geological mapping, geochemistry, geophysics (TEM), and core drilling. The results of the Sipa geochemical surveys, in conjunction with the AAR and earlier Creasy/Norgold work, confirmed a zone of anomalous gold over a length of at least 9.5km, with a number of highs including the areas now known as the Paradise Bore, Macaw and Bulga Downs North Prospects.

Soil sampling in 1994 followed by drilling at the Paradise Bore and Bulga Downs North Prospects during 1995 confirmed the existence of gold mineralisation. Subsequent systematic soil and regolith sampling led to the discovery of additional zones of mineralisation at the Cassowary, Macaw, Macaw North, and Toucan Prospects (Figure 3). Mindax has carried out further soil sampling over the area of the Cassowary Prospect, extending the length of anomalous gold-in-soil values to 600m.

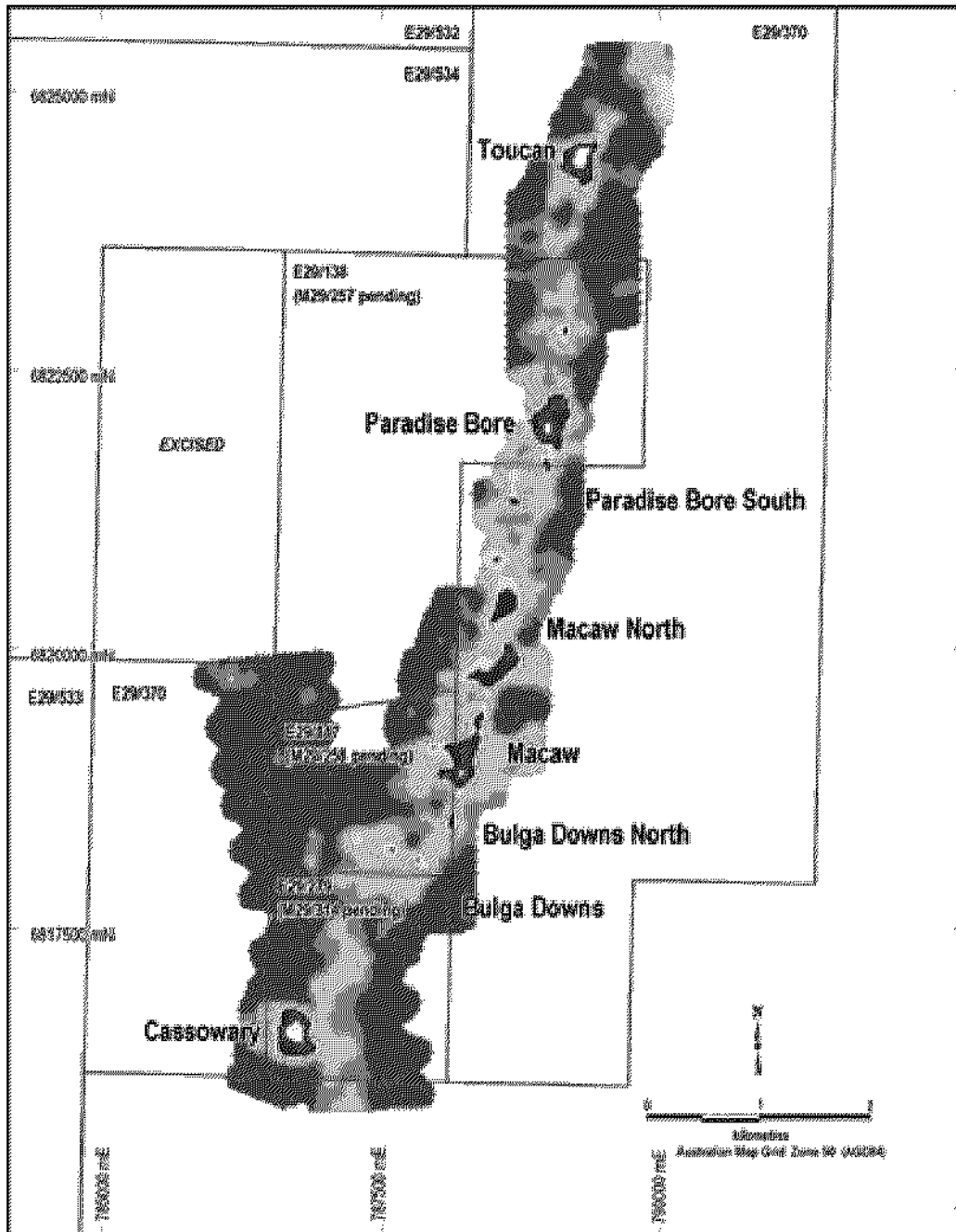


Figure 3 Bulga Downs Project - Image of soil gold geochemistry

Paradise Bore deposit

At Paradise Bore a small gold resource has been identified, occurring within a mixed mafic to ultramafic volcanic-sedimentary sequence. Gold mineralisation is focussed within a structural site along the hangingwall of a chert unit. It is associated with indistinct zones of chlorite-carbonate-silica alteration (Figure 4).

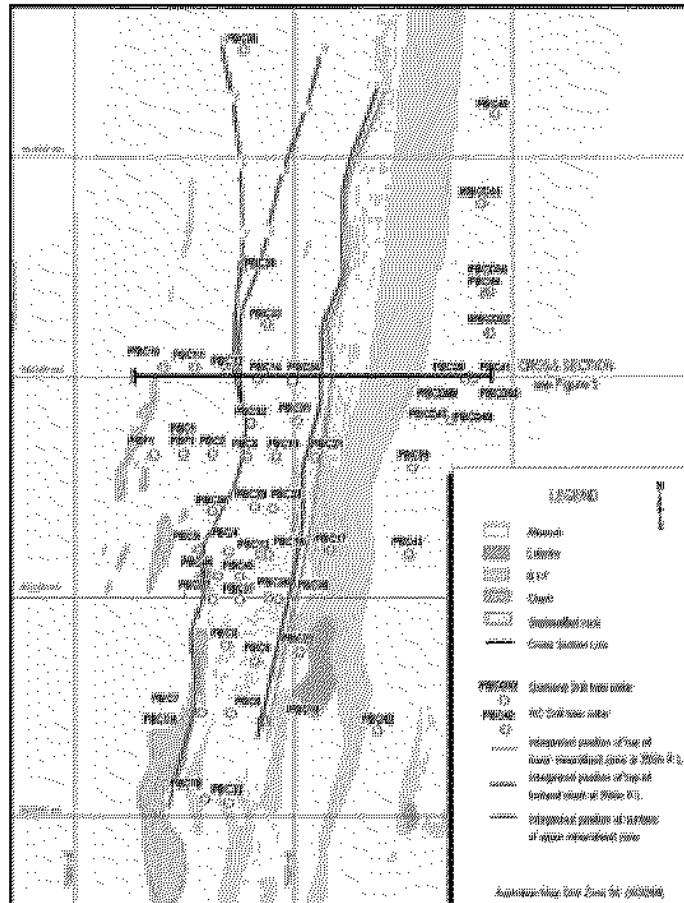


Figure 4 Paradise Bore Prospect - Geology and drill hole locations

The deposit contains some high-grade zones of mineralisation, which have the potential to support an underground mining operation (Table 2).

Table 2 Paradise Bore deposit - Best drill intersections

Hole	Easting (AGD84)	Northing (AGD84)	From (m)	To (m)	Width (m)	Gold (g/t)
PBC4	789139	6822241	15	23	8	8.00
PBC15	789183	6822327	36	37	1	30.70
PBC21	789218	6822327	84	88	4	13.84
PBC26	789175	6822200	42	48	6	10.96
PBC27	789125	6822198	8	16	8	14.99
PBC28	789180	6822280	46	49	3	6.98
PBC38	789360	6822401	228	234	6	7.45
PBC44	789374	6822476	212	215	3	5.46
PBC46	789130	6822219	17	22	5	14.38

The mineralisation has been identified in two zones, an upper and a lower. In the central portion of the deposit, defined resources have been identified in the upper zone over a length of 280m to a depth of 430mRL, about 80m beneath the surface. The lower zone of mineralisation has been intersected in drilling between 280mRL and 380mRL (Figure 5). The area between the two zones is poorly tested.

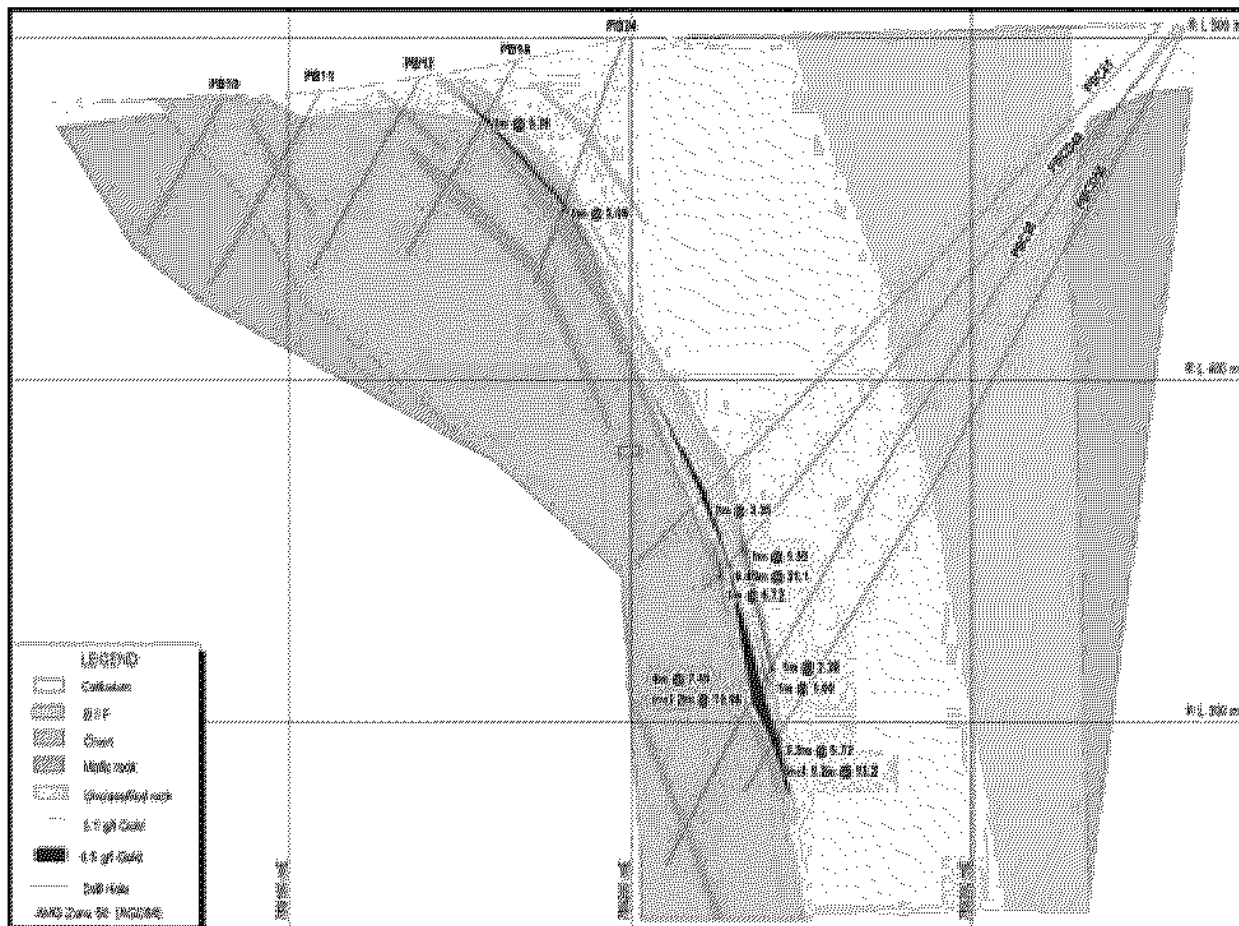


Figure 5 Paradise Bore Prospect - Drill section 6822400N

The identified resources have been subject to both polygonal and geostatistical estimations by Sipa. The most recent sectional polygonal estimation, the bounds of which are shown on Figure 6, was carried out in 2002. The estimation identified combined indicated and inferred resources of 292,000t @ 3.0g/t Au for a total of 28,500oz Au, of which 26,800oz is in the indicated category and 1,700oz is inferred. A lower cutoff grade of 1.0g/t and an upper cut of 40.0g/t Au were used. More recently, in September 2003, Sipa released a geostatistical estimation of the resource, which utilised the Multiple Indicator Kriging technique with a block support adjustment and a lower cutoff grade of 1.0g/t Au. This technique resulted in an increase in the estimated tonnes of the resource to 400,000 and the contained ounces to 36,000, all within the inferred category. The estimated grade decreased to 2.8g/t Au.

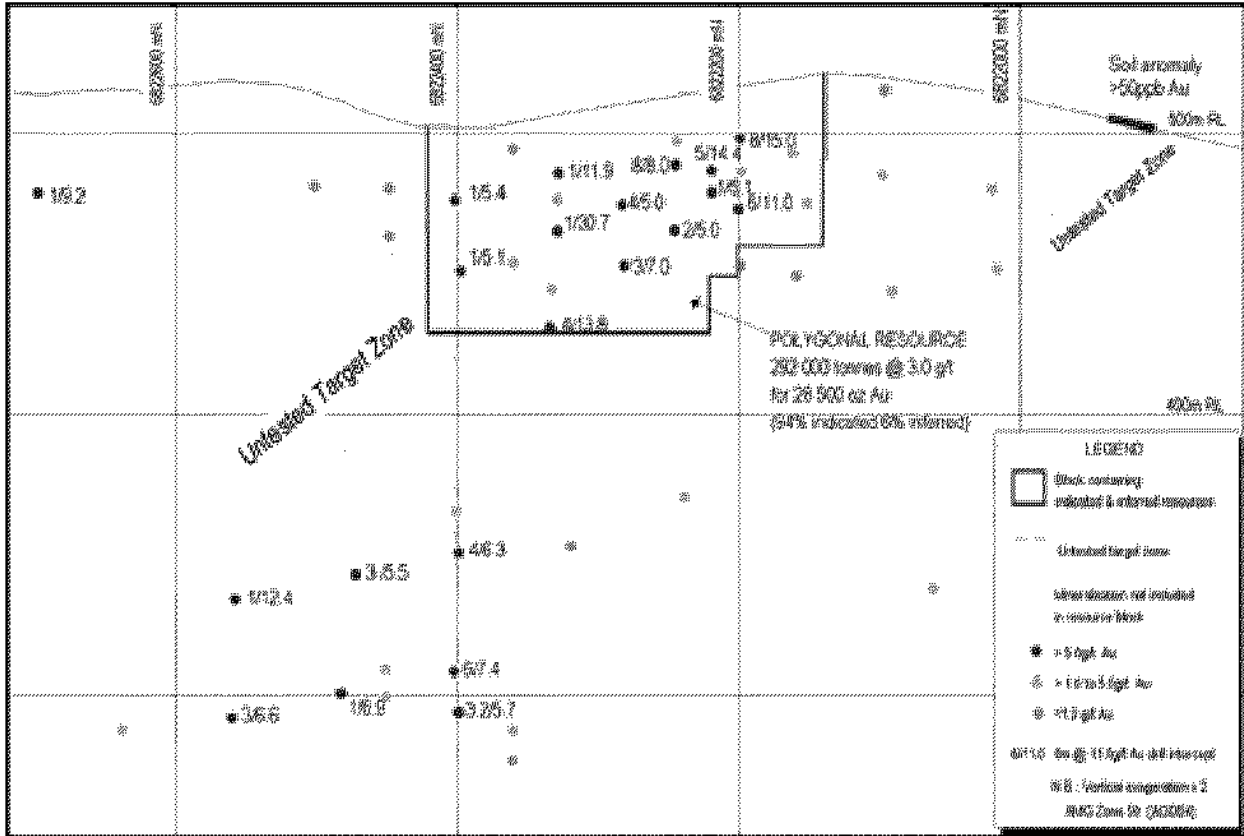


Figure 6 Paradise Bore deposit -Longitudinal section

Mindax has completed an initial structural study of the area. Drill core from the Paradise Bore deposit has been examined and an initial field visit has been made. The mineralisation appears to be controlled by left lateral shearing that is oblique to the stratigraphy resulting in an interpreted 400 northerly plunge of the mineralisation. Detailed structural and stratigraphical mapping carried out with this relationship in mind and in conjunction with geochemical data and regolith interpretation is expected to achieve clearer definition of target areas

Recent geochemical sampling has delineated anomalous gold in soils (>25ppb) which coincides with the predicted up-plunge projection of mineralisation intersected in the deeper drilling.

Other prospects

Gold mineralisation has also been intersected during the drilling of the geochemical targets at a number of other prospects along strike from the Paradise Bore deposit. At the Toucan Prospect, located approximately 2km north of Paradise Bore, significant gold mineralisation has been reported (Table 3)

Table 3 Toucan Prospect - Best RC drill intersections

Hole	Easting (AGD84)	Northing (AGD84)	From (m)	To (m)	Width (m)	Gold (g/t)
TPC2	789368	6824290	50	51	1	6.95
TPC3	789409	6824210	78	83	5	2.64
TPC4	789404	6824389	14	17	3	6.17
TPC5	789447	6824491	23	26	3	2.93
TPC5	789447	6824491	56	57	1	21.20
TPC13	789400	6824248 and	70 83	71 87	1 4	4.19 2.39
TPC17	789450	6824398	54	55	1	11.70
TPC18	789400	6824448 and	52 91	53 97	1 6	7.76 2.23
TPC21	789047	6824500	42	47	5	2.56
TPC23	789007	6824500	91	97	6	2.23
TPC24	789497	6824498	116	119	3	4.98

Drill testing of geochemical targets at Macaw, Macaw North, and Bulga Downs North has also produced significant gold intersections. At Macaw the results include, 12m @ 2.5g/t Au from the surface in hole MPC17 and, 60m across strike to the east in hole MPC6, 5m @ 5.0g/t Au from the surface (Table 4).

Table 4 Macaw, Macaw North, and Bulga Downs North Prospects – Best RC drill intersections

Hole	Easting (AGD84)	Northing (AGD84)	From (m)	To (m)	Width (m)	Gold (g/t)
Macaw North						
MNC1	788550	6819798	37	42	5	1.55
MNC2	788582	6819800	74	80	6	2.39
Macaw						
MPC2	788265	6819000	21	23	2	2.75
MPC4	788242	6818899 and	29 42	35 44	6 2	4.40 4.68
MPC5	788229	6818899	13	15	2	3.77
MPC6	788159	6818896	0	5	5	5.03
MPC9	788198	6818797	22	24	2	3.73
MPC15	788301	6818996	52	53	1	9.44
MPC16	788174	6818698	9	10	1	3.14
MPC17	788220	6818898	0	12	12	2.51
MPC18	788169	6818896	5	11	6	1.75
MPC26	788403	6819401	13	14	1	4.93
Bulga Downs North						
BNC5	788122	6818497	33	34	1	3.07

Exploration potential

Exploration to date at Bulga Downs has shown that the regolith geochemical surveys have been very effective in identifying bedrock mineralisation. The presence of thick layers of colluvium on the flanks of the BIF dominated ridges, however, tends to decrease the intensity of the gold anomalies and to offset the surficial anomalies from the bedrock mineralisation. The application of regolith and structural mapping, to be used in conjunction with the current and future geochemical data, should enable additional targets to be identified.

A gold resource has been identified at the only prospect that has been drilled in detail. As noted above, mineralisation has been shown to be present at a number of other prospects. The potential remains for further drilling at these prospects to identify additional resources. Most interestingly, at the Cassowary Prospect a large gold-in-soil anomaly has not yet been tested by a single drill hole (Figure 3).

At the Paradise Bore deposit, the area between the upper and lower zones is a priority drill target, as are along plunge extensions to the known areas of mineralisation.

Proposed exploration and budget

Proposed exploration at Bulga Downs should include additional geochemical sampling to supplement the existing coverage. The type of sampling will be determined by the prevailing regolith and it is recommended that a detailed geomorphological and regolith survey be completed. The results of this survey can be used to plan the future geochemical sampling and to more intelligently interpret the dataset. Follow-up RAB drilling of geochemical anomalies will need to extend beyond the limits of the anomalies, due to the lateral displacement of the surface expression of bedrock mineralisation.

At the Paradise Bore deposit a significant drilling program is required to provide additional resource delineation and geotechnical information prior to the carrying out of mining studies. Initial drill testing of the Cassowary Prospect and of other undrilled geochemical anomalies is proposed, as is further drilling at Toucan, Macaw, Macaw North, and Bulga Downs North.

A budget of \$560,000 is proposed for the first year with a further \$540,000 to be spent during the following year.

Maynard Hills Project

Introduction

The Maynard Hills Project, located to the north of the Bulga Downs Project, covers the northern extensions of the Maynard Hills and Cook Well Greenstone Belts.

Tenements

The project is comprised of four granted exploration licences, which form a contiguous block over 75km strike length of the greenstone belts. A proposed gas pipeline reserve (FNA/4803) passes through the southern part of E57/552.

Table 5 Maynard Hills Project - Tenement summary

Tenement	Registered holder	Status	Area	Annual expenditure
E57/551	M.G. Creasy	Granted 7-Oct-2003	70 blocks	\$63,000
E57/552	J.H. Rutter	Granted 28-Aug-2003	40 blocks	\$36,000
E57/555	Sipa	Granted 30-Dec-2003	63 blocks	\$56,700
E57/556	Sipa	Granted 29-Aug-2003	70 blocks	\$63,000
		Totals	735km ²	\$218,700

Regional setting

The rocks of the Maynard Hills and Cook Well Greenstone Belts are comprised of amphibolite facies equivalents of komatiitic basalts, sediments, felsic volcanics, BIF, quartzites and cherts, and a narrow unit of ultramafics. The stratigraphic sequences are strongly foliated. The Edale Fault forms the western margin to the Cook Well Belt and the Illara Fault the eastern margin to the Maynard Hills Belt. The two belts are separated by the White Cloud Gneiss Zone, which occupies the central portion of the tenements.

The Maninga Marley Mining Centre and the newly discovered Lord Henry and Lord Nelson gold deposits are located to the west of the northern end of the project area. They appear to be associated with a northwest trending structural break which parallels the Edale Fault about 5km to the west of it (Figures 2 & 7). Troy Resources NL have released a combined resource estimate (indicated plus inferred) for the Lord Henry and Lord Nelson deposits of 3.7Mt @ 2.7g/t Au (319,000oz Au) to a depth of 60m, based on a 1.0g/t lower-cut. They have announced that both deposits have considerable potential for additional mineralisation.

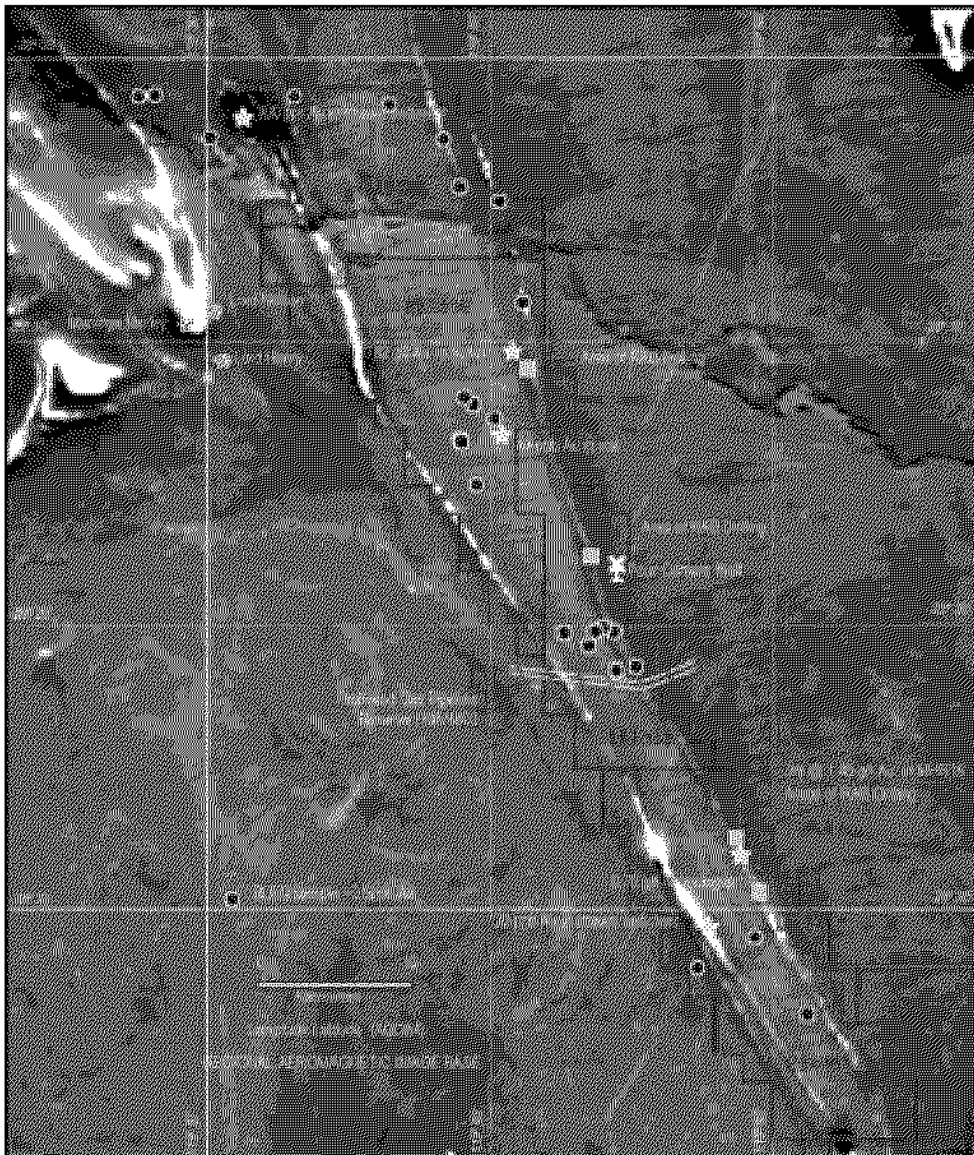


Figure 7 Maynard Hills Project – Location of geochemical anomalies

Previous and current exploration

Although a number of companies and individuals have held tenements within the project area in the past, the area has not been extensively explored. Much of the exploration has been in the form of aeromagnetic surveys, aerial photography, and reconnaissance type geochemical surveys (Figure 7).

The area covered by E57/551 has previously been explored for nickel in the 1960s to early 1970s by companies and syndicates including Trans Australian Exploration and Amax Mining. In the 1980s Western United Mining Services Pty Ltd explored the area for gold, with a program including aeromagnetics at 200m line spacing, aerial photography, drainage geochemistry and geological and structural mapping. A few rock chip and old drill spoil samples, from the earlier nickel exploration, were also collected. A number of low-level gold anomalies (maximum of 20ppb Au) were recorded from the drainage survey.

More extensive previous exploration work has been completed within the areas of E57/552 and E57/556, located to the north of E57/551. Exploration in the 1970s for nickel and, to a lesser extent, gold was undertaken by Western Mining Corporation Limited (WMC) during 1974-75 and Inco Australia Limited in 1979. The work by WMC identified two geochemical anomalies. In the north, an arsenic soil anomaly 1,600m in length was located with a maximum value of 80ppm As. In the south, a 1,200m long anomaly containing up to 57ppm As was located, with which was associated a maximum rock chip gold value of 0.55g/t Au in ferruginous chert.

In 1984 Mark Creasy obtained anomalous gold values from panned concentrates in an area west of Four Corners Well, which were followed up by a regional drainage program in joint venture with EZ. The area was further explored by Great Central Mines NL in 1985-87. It related the gold values to chlorite, fuchsite, pyrite, tourmaline, and barite alteration within silicified sericitic schists.

MIM Exploration Pty Ltd followed up WMC's arsenic-in-soil anomalies during 1991-93 and completed multiple programs of soil and lag geochemistry. The sampling confirmed the anomalous nature of both of WMC's areas for both gold and arsenic. MIM's maximum gold-in-soil value was 16ppb Au. Follow-up rock chip and channel sampling failed, however, to provide additional encouragement. The anomalies were tested in 1994 by Golden Cross Resources NL. It drilled 57 angled RAB holes on four lines into the northern anomaly and 19 on three lines into the southern anomaly. The average hole length was 25m. The best four metre composite value was 0.16g/t Au. A high value of 711ppm As was returned. The location of the drilled areas is shown on Figure 7.

Golden Cross Operations Pty Ltd in conjunction with Barranco Resources NL explored about 60km length of the Maynard Hills Greenstone Belt during 1995-97. They carried out systematic soil and rock chip programmes, geological mapping, and interpretations of Landsat, geophysical, and aerial photographic data. They also performed a small ground magnetic survey. The soil sampling produced a high value of 44ppb Au within what is now E57/556, and a 3km long anomaly within what is now E57/551 with a peak value of 58ppb Au. Rock chip values of 0.70g/t and 0.39g/t Au were obtained from silicified BIFs in the latter area and recent RAB drilling by Mindax has generated a best intercept of 3m @ 1.45g/t Au. In the north, a best rock chip value of 0.82g/t Au was obtained.

Within the area of E57/555, there has been very little previous exploration. Dalrymple Resources NL explored the area for gold in 1987-89 as part of the Black Hill Project. The work completed included aeromagnetics, aerial photography, geochemical surveys, and geological mapping. One BLEG sample, collected within the area of E57/555, returned the possibly anomalous value of 300ppt Au.

Mindax carried out a BLEG drainage sampling program on ELs E57/551, 552, 555 and 556 achieving a best result of 4.7ppb Au. Groups of anomalous samples (>0.5ppb) were recorded from four sites, all of which will need further sampling. One group of seven anomalous samples is located in the central part of E57/552. A second group (six samples) is located within E57/556 in close proximity to a 44ppb gold in soil sample. The third group (five samples) is located along the eastern side of E57/555. The fourth group (three samples) is located in the northwest portion of E57/555, 10km north of Troy's gold discoveries at Lord Nelson, Lord Henry and Maninga Marley.

Exploration potential

In contrast to the Bulga Downs Project area to the south, where the BIF ridges dominate, the topography of much of the Maynard Hills Project area is subdued and outcrop is, in general, poor. As a result, the previous explorers concentrated on those areas where there is outcrop and, although they have found indications of gold mineralisation, they have not systematically explored the full extent of the belts. Further, they did not adequately follow up the indications of mineralisation that they found, either by drilling or by detailed exploration along strike. Significant gold mineralisation is known to occur in the Bulga Downs Project area, and it is quite possible that it also occurs along the belts to the north within the Maynard Hills Project. Care will, however, be required in the interpretation of the anomalous results, considering that the Paradise Bore mineralisation was discovered on the basis of a 8.3ppb Au drainage sediment sample.

Proposed exploration and budget

A program of systematic geochemical sampling is proposed for the project area, to follow-up the anomalous results obtained during the previous exploration. Drill testing of all substantial anomalies will be required. A budget of \$175,000 is proposed for the first year, with a further \$165,000 to be spent during the following year.

Panhandle Project

Introduction

The Panhandle Project is located to the south of the Bulga Downs Project within the Cook Well Greenstone Belt. The area has not been subjected to extensive modern exploration. The work which has taken place has located gold mineralisation associated with pyritic cherts and geochemical anomalies which require follow-up exploration.

Tenements

The project consists of a single exploration licence, E29/459, of 34 blocks covering an area of 102.1km², registered in the name of Mindax Ltd. It was granted on 21 July, 2000 and has an annual expenditure requirement of \$30,600.

Regional setting

The project area is located in the eastern part of the Mt Elvire Domain within the southern portion of the Cook Well Greenstone Belt, which is comprised predominantly of mafic to ultramafic volcanics and intrusives with interflow units of BIF and chert. The metamorphic grade of the area is greenschist to lower amphibolite facies. The belt is located between two major lineaments (Figure 8). The major regional lineament, the Edale Fault, bifurcates at the southern end of the tenement forming both the western and eastern margins to the greenstones in this area.

Previous and current exploration

Some minor historical copper workings are located within the project area, but relatively little modern exploration has been undertaken. The first recorded exploration in the area was during the 1970s, for uranium and base metals. The base metal exploration was by Great Boulder Mines Ltd (Great Boulder) in 1974. It included 1,478m of percussion drilling and 247m of diamond drilling. No significant base metal results were obtained, although an intersection of 2m @ 1.37g/t Au was returned.

Esmerelda Exploration Ltd (Esmerelda) explored the area in the period 1984-89, conducting rock chip sampling which yielded significant gold values up to 2.40g/t Au in sulphidic BIF and chert horizons and resulted in the delineation of six target areas. They drilled 11 RAB holes into a number of these horizons and intersected encouraging gold mineralisation over strike lengths of up to 300m (Table 6). They also drilled a copper-bearing gossanous volcanic flow-top breccia previously targeted by Great Boulder (Hole PH-6).

Table 6 Panhandle Project - Best drill intersections

Hole	Easting (AGD84)	Northing (AGD84)	Interval (m)	Au (g/t)
PH-6	784600	6792825	8-12	4m @ 2.04
PH-7	783255	6788975	4-6	2m @ 2.67
PH-8	783786	6788675	6-8	2m @ 0.73

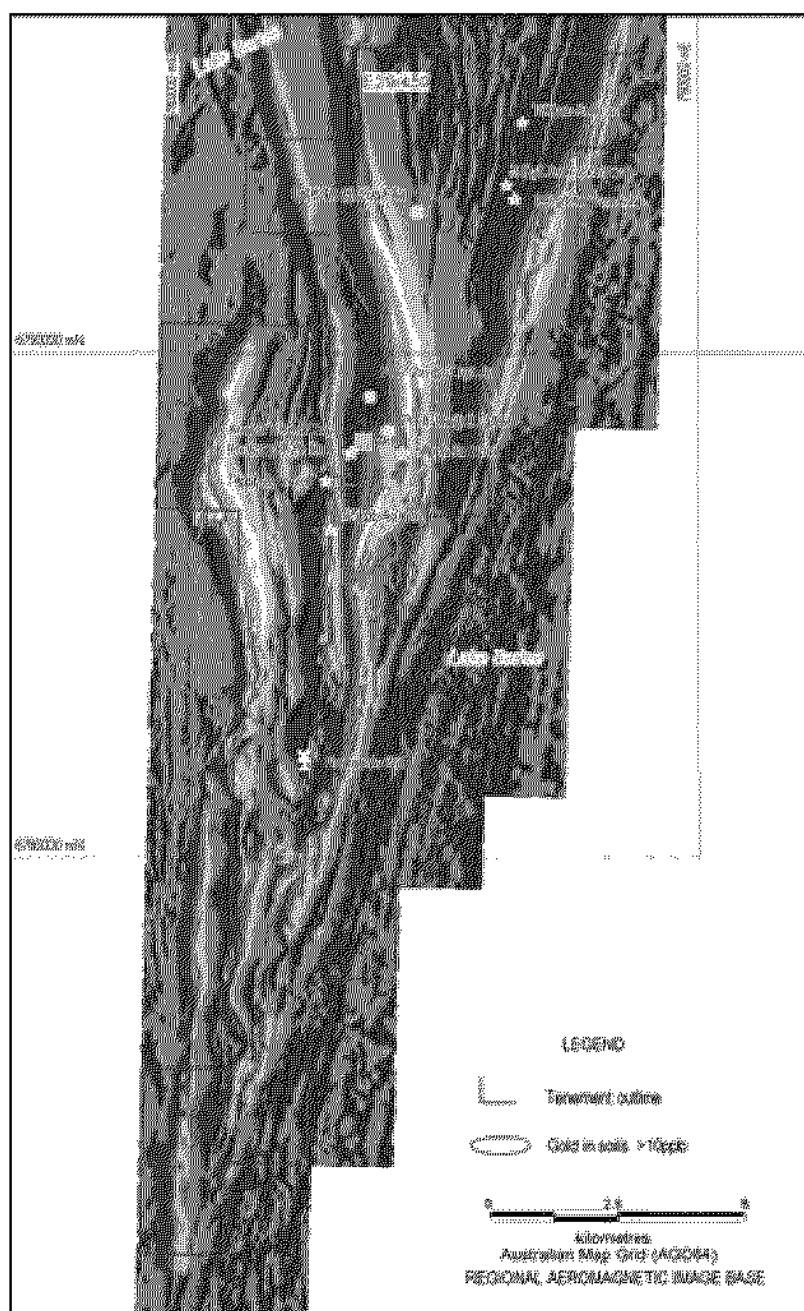



Figure 8 Panhandle Project – Location of geochemical anomalies



Taurus Resources NL held the area briefly during 1987-88 and completed a program of geological mapping and aerial photography.

MP Developments No 1 Pty Ltd held the project area from 1996 to 1998. They carried out programmes of rock chip sampling and systematic soil geochemistry. The best results from the soil sampling was 68ppb Au, obtained about 500m to the south of the area drilled by Esmeralda. Their best rockchip values, of 8.6g/t and 5.8g/t Au, were obtained in the northeast of the present tenement area.

Sipa have recently flown a detailed aeromagnetic survey over the area. They also infilled the soil geochemical sampling carried out by MP Developments with the result that an extensive area of the tenement was covered by a soil sample grid with either 200m or 500m line spacing. Within the area of the grid, a number of low order gold and arsenic anomalies have been outlined. Sipa obtained a single high gold-in-soil value of 725ppb Au. Of note is a 4.5km long arsenic anomaly to the north of Panhandle Well, which contains the high gold value near its northern end.

Mindax carried out 400m by 100m soil geochemical sampling over the previously unsampled areas in the north and the south of the tenement. A single point high value of 790ppb Au was reported from the northern survey. It also carried out infill sampling on a 100m grid pattern in the known area of interest to the north of Panhandle Well. This sampling has defined a number of separate gold anomalies within an area of 4km by 2km (Figure 8). The area is also anomalous in copper with a high value of 800ppm Cu being obtained. Rock chip sampling at the Gladys Prospect within the area of highest copper anomalism yielded a best value of 1.3% Cu. The area was tested by six shallow RAB holes.

Exploration potential

The project area is prospective for both gold and base metal mineralisation. The fact that it has not been extensively explored and its close proximity to the Paradise Bore deposit to the north makes it an attractive exploration proposition. The aeromagnetic data shows a number of structural features, which in conjunction with the newly detected gold and copper anomalies, makes them priority targets. The previous drilling has also confirmed that some of the BIF/chert horizons contain gold mineralisation. Of interest is the fact that many of the anomalous rock chip samples come from areas of good outcrop near the western edge of the salt lake, Lake Bartee.

Proposed exploration and budget

Mindax has accumulated all of the previous exploration data and, where possible, converted it to a digital format. This information needs to be reviewed and evaluated in conjunction with the significant knowledge database available from the other project areas. Interpretation of the aeromagnetic data, geochemical results, and detailed geology will enable additional targets to be identified for drill testing. Budgets of \$90,000 are proposed for each of the first two years.

Meekatharra North Project

Introduction

The project is located within the northern part of the Murchison Greenstone Belt, between 12 and 42km to the northeast of Meekatharra. Access is available via the Great Northern Highway, which passes through the western side of the tenement area.

Tenements

The Meekatharra North Project is an exploration licence application (E51/1034) of 70 blocks (202km²) registered in the name of Sipa Exploration NL. Mindax has acquired Sipa's rights to the project subject to certain payments and royalties.

Geological setting

The project area covers the northern extension of the Murchison Greenstone Belt, which within the tenement contains mafic to ultramafic volcanics and intrusives, metasediments, felsic volcanics, and banded iron formation.

The greenstones are intruded by a significant complex internal granite, the Emerald Well Granite. There is extensive cover of laterite and transported materials.

The Big Bell–Meekatharra regional structure marks the western boundary of the project area. This tectonic suture influences mineralisation at Paddy’s Flat [Meekatharra], Bluebird, and Big Bell 100km to the southwest. A similar sub-parallel tectonic feature, the Mt Magnet–Meekatharra structure, passes through the project area. This feature is associated with the gold deposits at Mt Magnet, Tuckabianna, and Meekatharra [Figure 9].

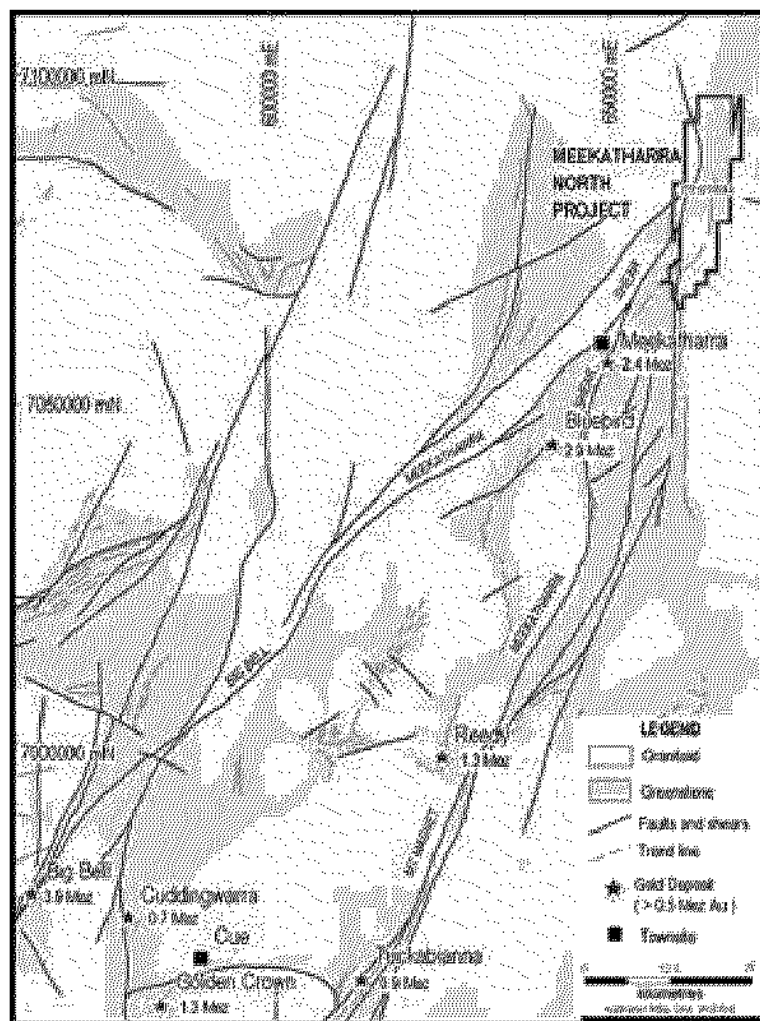


Figure 9 Meekatharra North Project - Regional geological setting

Previous exploration

There are old gold workings reported in the area. The Maid Marion workings, however, are located just outside the tenement area in the south and alluvial gold has reputedly been worked inside the area from time to time.

The area has a long history of exploration, but for the most part the lack of exposure has hampered its effectiveness. In more recent times, systematic exploration has been undertaken by Dominion Mining Ltd and subsequently by WMC. In the broader area, this work has identified significant gold mineralisation immediately to the north of the tenement area at Andy Well and has identified a number of gold anomalies (>50ppb) in RAB drilling in the Emerald Well–Banjo Well (South) area [Figure 10].

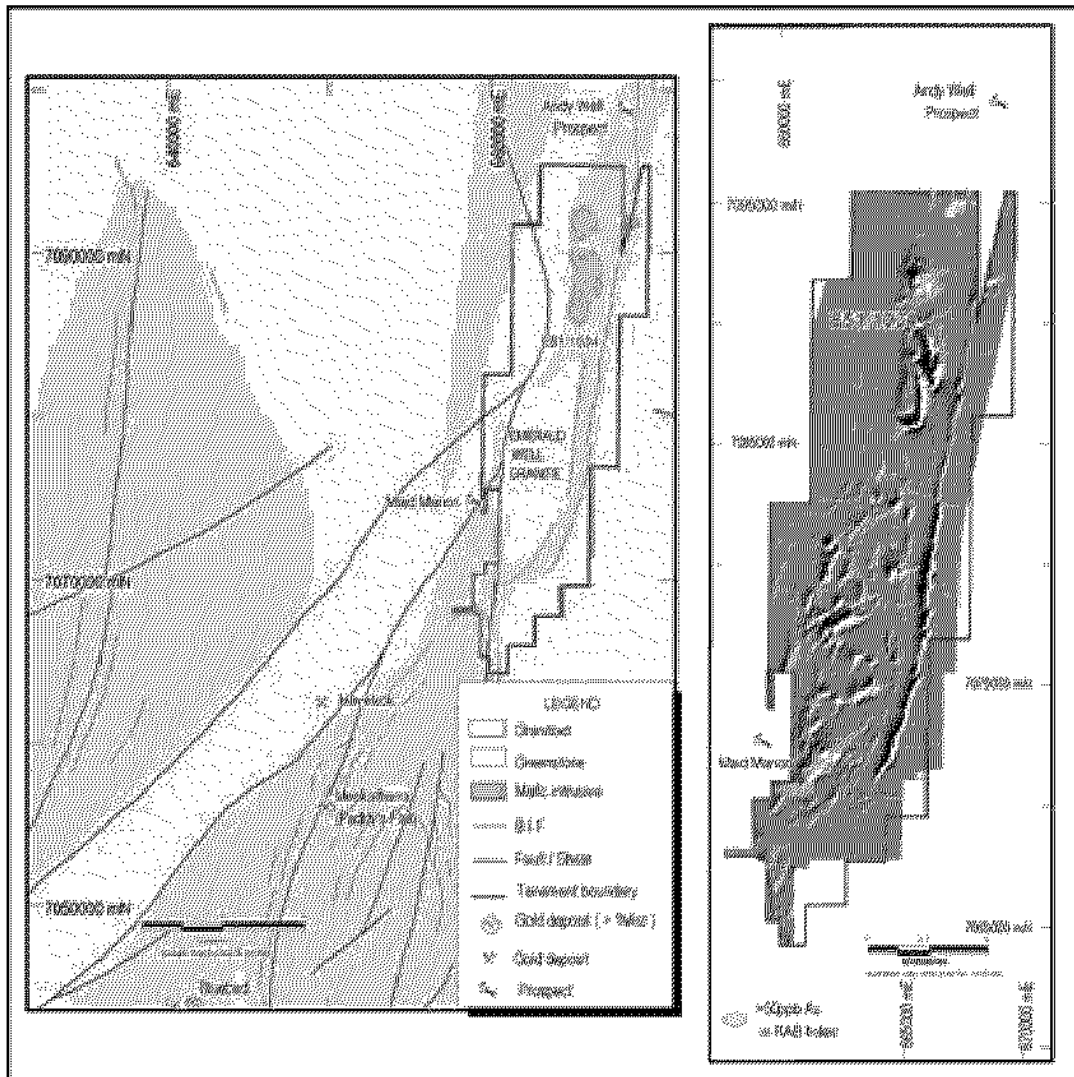



Figure 10 Meekatharra North Project - Geological interpretation and geochemical image over magnetic image

Exploration potential

The position of the Meekatharra North tenement, just north of the junction of the major Big Bell-Meekatharra and the Mt Magnet-Meekatharra structures, is particularly favourable for the occurrence of gold mineralisation. The two structures either host, or are in close proximity to, major deposits totalling in excess of 16.5Moz of gold.

The area is largely under cover, which varies from quite shallow in the south to over 80m in depth in the major drainage in the north, just to the south of the Andy Well mineralisation. This cover has hampered previous exploration. Areas of soil gold anomalism have, however, been defined and extended with RAB drilling. Some of these have been followed up, but previous programs have been limited by the depth of cover and the prioritisation of targets.

Two obvious targets require further drilling. The first is at the northern end of the licence, where an extensive >50ppb Au anomaly is present to the south of the Andy Well mineralisation. Its southern margin is coincident with the northern margin of a paleochannel, the basement of which has not been tested. The second is at the northern margin of the internal Emerald Well Granite, which occupies an analogous position to the Bluebird Mine 45km to the south.



The more recent work has generated a substantial geochemical, geophysical, and geological database. A number of structural positions, including some that are analogous to those at Paddy's Flat and Bluebird, have yet to be tested along with regolith hosted geochemical anomalies. Ultramafic rocks extend the length of the tenement and a buried layered mafic-ultramafic complex is interpreted under cover in the north of the area. These rocks have potential for nickel and platinum mineralisation.

Proposed exploration and budget

It is proposed initially to generate detailed subsurface geological and structural maps, utilising the extensive geophysical and geochemical database together with expert reinterpretation of the rock chips from the existing drill cuttings that are at surface within the tenement area. Reinterpretation of the geochemistry in conjunction with regolith mapping is also planned at this time. After verification and ranking of structural and geochemical targets it is proposed to carry out staged drilling of them.

An expenditure of \$65,000 is proposed for each of the first two years of the tenement.

Mt Alexander Project

Introduction

The Mt Alexander Project is located 50km southeast of Paradise Bore and 95km west of Leonora, in the Eastern Goldfields of Western Australia. It covers part of the northern portion of the Mt Ida Greenstone Belt.

Tenements

The project is comprised of exploration licence E29/537, granted on December 12 2003, covering 12 blocks with an area of 35.1km² and an annual expenditure requirement of \$20,000. Mindax has purchased the tenement from the registered holder, J.H. Rutter, who, in addition to receiving a payment of cash and shares, will retain a 2% royalty on all gold produced and a 1% net smelter return on other mineral production.

Geological setting

The Mt Alexander Project is located in the northern part of the Mt Ida Greenstone Belt, where the belt forms a south plunging antiform around a granitoid pluton. The tenement covers part of the northwestern limb, which continues towards Mt Alexander and includes the Copperfield and Bottle Creek Mines. In this area the greenstone belt is about 8km wide and is separated into a western and eastern stratigraphy by a major lineament trending sub-parallel to the stratigraphy. This lineament, the northern extension of the Ida Fault, defines the boundary between the Southern Cross and Eastern Goldfields Provinces.

The tenement is located in the eastern section of the belt and covers a stratigraphy containing high magnesium basalts with interbedded ultramafic units (Figure 11).

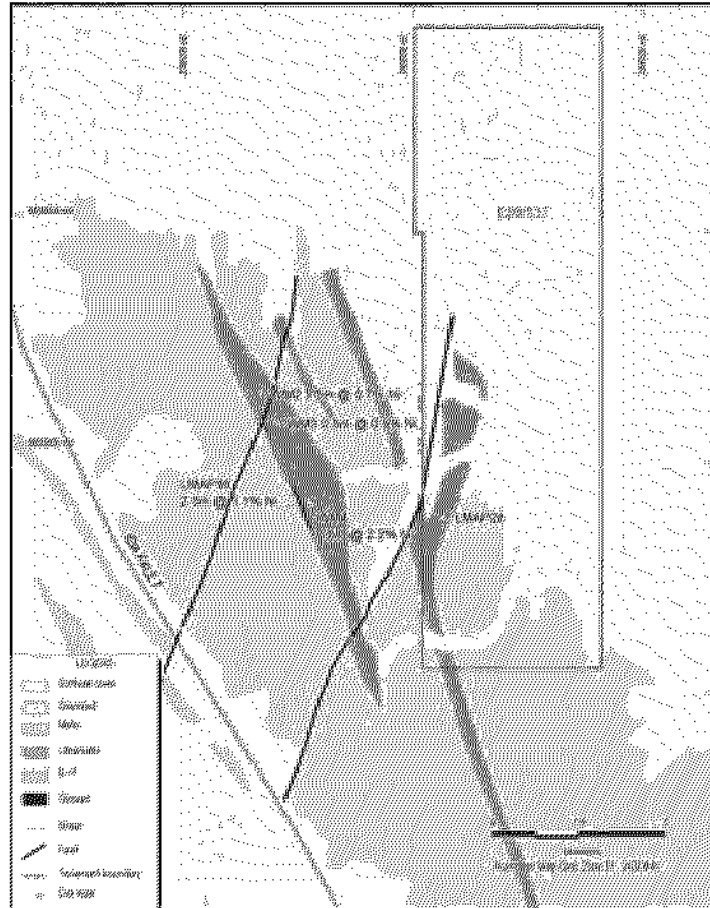


Figure 11 Mt Alexander Project - Geological setting

Previous exploration

Prior to WMC exploring the area in the 1970s no systematic work had been completed within the tenement area. Commencing in 1974, WMC completed a programme of geological mapping, geochemical sampling, aeromagnetics, ground TEM, IP, and percussion drilling (41 holes totalling 2,186m). The soil geochemical sampling proved to be effective with Ni anomalies coinciding with the location of known gossans. Drilling of the anomalies intersected nickel sulphide mineralisation associated with sediments and the western ultramafic succession, with a best intercept of 2m at 1.12% Ni and 0.66% Cu in hole LMAP16.

Between 1978 and 1980 the area was further explored by Cliffs International, which drilled six diamond holes totalling 1,102m, following up the mineralisation identified by WMC. Four of the holes (WM2, 3, 4, & 5) intersected Ni-sulphide mineralisation in an area to the west of the Mindax tenement.

Within the Mindax tenement area, WMC, while targeting coincident TEM and IP geophysical anomalies within the ultramafic package, intersected massive sulphides associated with shales in hole LMAP28. The sulphides contained 555ppm Ni and 1300ppm Cu.

Exploration potential

The exploration potential at Mt Alexander lies in detailed mapping of the ultramafic, consolidation of the geochemical database, and supporting magnetic and EM geophysics to define drilling targets.

The Mt Alexander Project includes an ultramafic suite extending over 5km of strike. The ultramafics are poorly exposed and have seen only peripheral exploration activity, partly because the historical focus has been on the western ultramafic sequence. The testing of the coincident TEM/IP anomalies is considered incomplete. The nearby intercepts of nickel sulphides by WMC enhances the prospectivity of the tenement.

Proposed exploration and budget

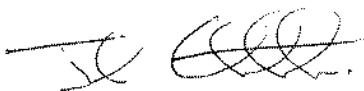
The project area contains little outcrop, but the interpreted aeromagnetic map indicates that there are large areas of near surface greenstone rock assemblages. It is proposed that a regolith map be developed for use in conjunction with surface sampling and RAB drilling. Target areas identified from the aeromagnetic data should be more closely defined by ground geophysical surveys prior to drilling. A budget of \$50,000 is proposed for each of the first two years.

Declarations

This report has been prepared by Dr John. M. Chisholm and Mr John Doepel. Dr Chisholm is a director of Continental Resource Management Pty Ltd, who has over 25 years experience in the mineral industry as a geologist, consultant and valuer and has carried out numerous resource calculations and valuations of exploration properties.

No member or employee of CRM is, or is intended to be a Director, officer or other direct employee of Mindax. No member or employee of CRM has, or has had, any share holding, or the right (whether enforceable or not) to subscribe for securities, or the right (whether legally enforceable or not) to nominate persons to subscribe for securities in Mindax. CRM has not previously provided geological services to Mindax and there is no agreement or understanding between CRM and Mindax as to CRM performing further work for Mindax. Fees are being charged at a commercial rate for the preparation of this report, the payment of which are not contingent upon the conclusions of the report.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of the 25 September 2004.




Dr J. M. Chisholm

Glossary of geological and technical terms

Aeromagnetics	Measurement of the earth's magnetic field from a surveying aircraft, or the purpose of recording the magnetic characteristics of rocks.
Alluvium	River and stream deposits of relatively recent time.
Alteration	Change in mineralogical composition of a rock commonly brought about by reactions with hydrothermal solutions.
Amphibolite	A metamorphic rock composed mainly of amphibole.
Antiform	A set of folded rocks that are convex upwards.
Archaean	The oldest rocks of the Pre Cambrian Era, older than about 2500 million years.
Arsenic (As)	The metallic element, (Its chemical symbol).
Au	Chemical symbol for gold
BIF	Chemical sedimentary rock composed mainly of finely alternating layers of silica and iron oxide.
Barite	A mineral composed of barium sulphate; often indicative of alteration.
Basalt	Dark coloured fine-grained rock composed mainly of feldspar and pyroxene.
Base metals	The more common and chemically active metals, especially, copper, lead, zinc, nickel.
Bedrock	Solid rock underlying surficial deposits.
BLEG sample	Bulk leach exploration gold sample (see soil sampling).
Block (Graticular)	Graticular area bounded by 1 minute of latitude and 1 minute of longitude. Equal to approximately 2.8km ² in WA.
Block (Resource)	Rectangular prismatic portion of resource.
Carbonate	A mineral compound containing the radical CO ₃ anion; especially calcium carbonate (calcite).
Chert	Very fine-grained rock composed of silica.
Chlorite	A platy hydrous silicate related to mica.
Colluvium	Surficial sheet-form relatively recent deposits emplaced by sheet wash or gravity.
Copper (Cu)	The metallic element (Its chemical symbol).
Diamond drilling	Method of obtaining cylindrical core of rock by drilling with a diamond-set or diamond-impregnated bit.
EM	Electromagnetic, a geophysical prospecting method
Fault	A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally
Felsic	Descriptive of light coloured rock containing an abundance of feldspar (generally potassium rich) and quartz.

Fold	A bend in strata or any planar structure.
Fuchsite	A green chromium mica mineral, often indicative of alteration.
g/t	Grams per tonne.
Geochemistry	The study of the abundance of elements in rocks and soil by chemical methods.
Geophysics	The study and measurement of the physical properties of rocks geological formations
Geostatistical	The use of statistics to describe geological data; especially grade relationships
Gneiss	A coarse grained rock in which bands rich in granular minerals alternate with bands in which schistose minerals predominate.
Gossan	The weathered surface expression of sulphide mineralisation; characterised by hydrated iron oxides.
Grade	Expression of relative quality (e.g high grade) or of numerical quality (e.g. 3.0g/t Au)
Granite	Light coloured, coarse-grained, intrusive igneous rock. Comprises large sections of the Earth's continental crust.
Granitoid	A field term for a coarse grained felsic rock resembling granite.
Greenschist facies	A relatively low grade of regional metamorphism characterised by the development of the green platy mineral chlorite.
Greenstone	A field term for metamorphosed mafic and ultramafic igneous rocks.
g/t	Grams per tonne.
Hanging Wall	Mining term referring to the upper surface of a sloping body or opening.
Igneous	Formed by solidification of hot mobile material termed magma.
Indicated resource	That part of a resource for which tonnage, densities, shape, physical characteristics, grade, and mineralogy can be estimated with a reasonable level of confidence.
Inferred resource	That part of a resource for which tonnage, grade, and mineralogy can be estimated with a low level of confidence.
Intermediate rock	An igneous rock containing between 52 and 66% SiO ₂ .
Intrusion	A body of igneous rock that invades older rocks.
Laterite	A strongly leached iron and aluminium rich rock, formed at the surface by weathering in tropical conditions.
Lineament	A linear geological feature.
Lithology	Composition and texture of rock.
Lode	A tabular or vein like deposit of valuable mineral between well defined walls.
Mafic	Descriptive of rocks composed dominantly of magnesium and iron forming silicates.

Metamorphosed	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids. E.g a metamorphosed sediment can be described as a metasediment. (Note: All the Archaean rocks described in the report have been metamorphosed to varying degrees. For simplicity the prefix meta- has not always been used).
Mineralisation	The concentration of metals and their chemical compounds within a body of rock.
Multiple Indicator Kriging	A geostatistical technique used in the estimation of mineral resources.
Nickel (Ni)	The metallic element (Its chemical symbol).
Outcrop	An exposure of bedrock at the surface.
Ppb, ppm, or ppt	Parts per billion (1,000 million), parts per million, or parts per trillion (10 ¹²).
Plunge	Inclination of a fold axis or other structure.
Polygonal estimation	Mineral resource estimation based on the assumption that the grade of a polygonally bounded block will average the same as do the samples taken from within it.
Quartz	A mineral composed of silicon dioxide.
Quartzite	A granular metamorphic rock composed predominantly of quartz.
Pyrite	A mineral composed of iron sulphide.
Reconnaissance	A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey.
Regolith	The surface layer of loose incoherent rock material that lies above "bedrock"; formed by deposition or in-situ weathering.
Resource	In-situ mineral occurrence for which there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics, and continuity are known, estimated, or interpreted from specific geological evidence and knowledge.
Reverse circulation (RC)	A percussion drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination.
Rotary air blast drilling (RAB)	Rotary drilling technique in which sample is returned to surface outside the rod string by compressed air.
Schist	A metamorphic rock with a platy or foliated texture.
Sediment	Rocks formed by the deposition of solids from water.
Sericite	Fine grained muscovite, a mineral often related to alteration.
Shear	A fracture in rock similar to a fault.
Shoot	A coherent high grade body of mineralisation with a particular orientation.
Silica	The compound SiO ₂ . The component of the mineral quartz.
Silicified	Pertaining to the introduction of or replacement by silica.



Sill	A tabular intrusion of igneous rock that is concordant with the structure of the enclosing rocks.
Sericite	A white fine grained potassium mica occurring as an alteration product.
Soil sampling	Systematic collection of soil samples at a series of different locations in order to study the distribution of soil geochemical values.
Stratigraphy	Composition, sequence and correlation of stratified rock in the earth's crust.
Structural	Pertaining to geological structure.
Strike	The course or bearing of a bed or layer of rock.
Sulphide	A mineral compound characterised by the linkage of sulphur and metal.
TEM	Transient electromagnetic; a geophysical prospecting method.
Tourmaline	A silicate mineral containing the element boron.
Ultramafic	Descriptive of igneous rock containing virtually no quartz or feldspar and composed essentially of ferromagnesian silicates, mainly olivine and pyroxene.
Vein	A thin sheet-like intrusion into a fissure or crack, commonly bearing quartz.
Volcanic	Descriptive of rocks originating from volcanic activity.
Workings	Minor scrapings, pits, or shafts dug by prospectors or small scale miners; mostly historical.

Section 8: Solicitor's Report

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readhead
lucas**

COMMERCIAL
LAWYERS

11 October 2004

The Directors
Mindax Limited
10 Canning Highway
COMO WA 6152

Dear Sirs,

SOLICITOR'S REPORT

This Report relates to various mining tenements and applications for mining tenements in Western Australia (the "**Tenements**") that are set out in Schedule A, Schedule of Tenements and Expenditure ("**Schedule A**"), as well as a review of the material contracts relating to the Tenements ("**Material Contracts**") set out in Schedule B, Summary of Material Contracts ("**Schedule B**"), all of which form part of this Report.

This Report has been prepared for inclusion in a prospectus (the "**Prospectus**") to be dated on or about 12 October 2004 for the issue by Mindax Limited (the "**Company**") of 15,000,000 shares at 20 cents per share with 7,500,000 attaching options (to raise \$3,000,000 [oversubscriptions of a further 2,500,000 shares with 1,250,000 attaching options to raise up to \$500,000 may be accepted]).

1. SEARCHES OF THE TENEMENTS AND REVIEW OF MATERIAL CONTRACTS

We have received searches of all the Tenements that are listed in Schedule A. The searches were conducted with the Department of Industry and Resources in Western Australia (the "**Department**") on 24 August 2004.

We have also reviewed all relevant contracts material to the Tenements and refer the reader to the summaries set out in Schedule B. Under the terms and conditions of the Material Contracts, the Company may acquire or has acquired the interests in the Tenements described in the Material Contracts subject to the matters referred to in this Report and the requirements of the Material Contracts.

On the basis of the searches, materials and information supplied to us by the Department and the Company and our review of the Material Contracts, we consider that this Report provides an accurate statement of the status of the Tenements as at the date of the searches noted above.

While the interest of the Company in the Tenements is dealt with in detail in the Schedules, we note that:

- (a) we have relied upon and assumed the accuracy and completeness of the information provided by the Department;
- (b) we have assumed the accuracy and completeness of any instructions or information given by the Company or any of its officers, agents or representatives;

Your Ref:
Our Ref: SU:MD
Matter No: 22382

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An incorporated legal practice

- (c) except to the extent expressly stated in this Report, we have assumed for each granted Tenement that the grant complied with all necessary statutory, administrative and other procedures. Where the Tenement is an application, we express no opinion as to whether the application will ultimately be granted, this being generally within the discretion of the relevant Minister;
- (d) where compliance with requirements necessary to maintain a Tenement in good standing or a possible claim in respect of a Tenement is not disclosed on the face of the searches referred to above, we express no opinion on such compliance or claim;
- (e) where objections have been lodged against the Tenements we make no comment on the likelihood of success of such objections;
- (f) where Ministerial consent to any agreement or dealing in relation to a Tenement is being or will be sought, we express no opinion as to whether such consent will be granted or the consequences of being refused;
- (g) except where otherwise expressly indicated, we have not made any enquiries outside of the searches;
- (h) to the extent that any of the Material Contracts or other documents we have reviewed require any approvals pursuant to the provisions of any relevant mining legislation or any regulations made pursuant thereto, we have assumed that such approvals have been granted or may be in due course;
- (i) we have assumed the authenticity of all seals and signatures and of any duty stamp or other marking;
- (j) we have assumed the completeness and the conformity to the original instruments, of all copies submitted to us, and that any documents submitted to us continue in full force and effect;
- (k) we have assumed that the Material Contracts are within the capacity and powers of, and have been validly authorised, executed and delivered by and are binding on, the parties to them; and
- (l) we have assumed that no party is, or will be, engaging in misleading or unconscionable conduct or seeking to conduct any relevant transaction or any associated activity in a manner or for a purpose not evident on the face of the Material Contracts which might render the Material Contracts or any relevant transaction or associated activity illegal, void or voidable.

This Report only relates to the mining, Native Title and aboriginal heritage laws applicable to the Tenements or the Material Contracts held in Western Australia as at the date of this Report. This Report is limited to the matters expressly contained within it.

2. TENEMENTS GENERALLY


The Tenements comprise fourteen exploration licences and three mining leases which have been granted or applied for under the *Mining Act 1978* (WA) ("**Mining Act**"), details of which are provided in Schedule A.

A general overview of the nature of exploration licences and mining leases is set out below.

2.1 Exploration Licences

An exploration licence remains in force for a period of up to 5 years and may be extended in prescribed circumstances by two further periods of one or two years on application. The prescribed circumstances are where the Minister is satisfied that delays or difficulties in carrying out an exploration program or the marking out of a mining lease could not be undertaken, completed or was subject to impracticable conditions. In exceptional circumstances, the Minister may extend the term for a further period or periods of one year.

Exploration Licences are granted subject to various standard conditions prescribed by the Mining Act, including payment of rent and expenditure, reporting requirements and environmental conditions.



The Company is required to spend a set amount per block per year on exploration activities. Schedule A details the current annual expenditure obligations in relation to the granted Tenements. The Company may apply for exemption from compliance with the minimum expenditure requirements on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements renders the exploration licence open to forfeiture.

An exploration licence is subject to statutory relinquishment at the expiration of the third year of the five year term of not less than half of the blocks. At the end of the fourth year half of the remaining blocks must also be relinquished.

A tenement holder has the right under the Mining Act to peg and apply for a mining lease or leases over the area subject to relinquishment prior to the date of such surrender, thus ensuring priority of title to the area the subject of the tenements.

We note that proposed changes to the Mining Act are included in the *Mining Amendment Bill 2004* introduced to the Legislative Assembly on 26 August 2004. While the changes have yet to be passed by parliament we note that they include amending the term of an exploration licence, such that the initial five year term can be extended for a further five years in the first instance followed by further periods of 2 years, provided the reason for extension is within grounds to be prescribed in the regulations.

In addition, the surrender provisions are also amended by the Bill such that compulsory surrender will now be due once at the end of the 5th year of term (currently 50% must be surrendered at the end of the 3rd and 4th years). Under the Bill, the Licence holder will be only required to surrender 40% of the ground. For new exploration licences, the ability to apply for exemption will be replaced with an application for a once only deferment of the surrender obligation for 12 months, based on the same criteria that applies to exemption.

The Bill introduces a new concept to enable the holder of an exploration licence to apply for the licence to be approved "retention status" where a resource has been identified, but is not economic at present. This will essentially mirror current retention licence provisions, but a new title will not be required.

2.2 Mining Leases

A mining lease covers a maximum of 1,000 hectares and remains in force for 21 years. The holder has the right, subject to complying with the Mining Act (WA), to an extension of a further 21 years and at the end of the second 21 year term may apply to the Minister for Mines for an extension of a further 21 years. As with other mining tenements granted under the Mining Act (WA) a mining lease is granted subject to conditions regulating the conduct of activities. In particular, the holder of a mining lease cannot commence developmental or productive mining unless the approval of the State Mining Engineer is first obtained.

Under the proposed changes to the Mining Act which have been included in the *Mining Amendment Bill 2004*, mining lease applications will be limited to circumstances where significant mineralisation exists or where the application is accompanied by a notice of intent to commence productive mining operations. The Bill also provides for current applications for mining leases to revert title back to exploration title over a 12 month period.

3. VALIDITY OF TITLES

Except to the extent expressly stated in this Report, for the purposes of preparing this Report and for the purposes of reviewing Native Title issues in respect of the Tenements, we have assumed that all of the Tenements have been validly granted having complied with, for example the correct statutory and administrative procedures (apart from potential invalidity on Native Title grounds). We have also assumed that the information provided by the Department is accurate.

The Tenements were validly granted if the applicable procedures prescribed by the *Native Title Act 1993* (Cth) ("**Native Title Act**") were complied with. The non-extinguishment principle will apply to those portions of the land affected by Native Title, meaning that for the initial term of grant and for at least any first statutory renewal any Native Title rights and interests are suspended to the extent of any inconsistency.

4. NATIVE TITLE

4.1 Overview

Native Title refers to the unique title held by Australian indigenous peoples over Australian land or waters. Native Title was first recognised by the Australian legal system in June 1992 when the High Court of Australia handed down its decision in the landmark *Mabo v Queensland* ("Mabo"). Before this decision, the Australian legal system did not recognise any particular title attaching to Australian indigenous peoples. Essentially what Mabo and subsequent cases have recognised is that indigenous Australians have Native Title rights in some lands and waters where those rights have survived the arrival of European sovereignty.

To obtain a determination of Native Title, broadly a Native Title claimant group must establish that they have historically enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that area of land. Such a claim will not be recognised if the Native Title has been extinguished either by voluntary surrender to the Crown, death of the last survivor of a community entitled to Native Title, abandonment of the land in question by that community or the granting of an "inconsistent interest" in the land by the Crown.

The Commonwealth Parliament responded to the Mabo decision by passing the Native Title Act which commenced operation on 1 January 1994. The main objectives of the Native Title Act are to:

- (a) recognise and protect Native Title;
- (b) validate 'past acts', including the grant of mining tenements and ancillary titles granted before 1 January 1994 that might otherwise have been invalid because of the existence and advent of Native Title;
- (c) provide mechanisms for future dealings ('future acts') which may affect Native Title; and,
- (d) provide procedures for determining claims to Native Title and for compensation to be claimed for the extinguishment or impairment of Native Title.

In 1998 the *Native Title Amendment Act 1998* (Cth) ("**Amendment Act**") extensively amended the Native Title Act. The Amendment Act validated titles which may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996, introduced a revised threshold test for the acceptance of Native Title claims, confirmed the extinguishment of Native Title by the grant of "exclusive possession" pastoral leases and certain other leasehold interests, introduced provisions intended to deal with overlapping claims and introduced procedures for dealing with future dealings over Native Title land.

A person, or group of persons may lodge a Native Title determination application ('claim') with the Federal Court. We note that lodgement does not in itself mean that Native Title is recognised in the area, and the absence of a Native Title claim in an area does not mean that Native Title does not exist in an area.

Once the claim is lodged it is referred to the Native Title Registrar who will consider if the claim meets the registration requirements set out in the Native Title Act. If the claim meets the registration requirements, it will be registered on the Register of Native Title Claims maintained by the National Native Title Tribunal ("**NNTT**"). This registration entitles the claimants to procedural rights under the Native Title Act, including the 'right to negotiate' (see comments below). Native Title claims that are not registered are recorded on the Schedule of Applications Received. Claims entered on the Schedule of Applications Received can, at a later date, be properly registered if further details and/or additional information is provided by the claimant and the Registrar is satisfied that the claimant's rights and interests can prima facie be established.

Since Mabo there have been various other Common Law and legislative developments in the area of Native Title. While we have not discussed them in any detail in this Report we note that the High Court, in its decision in the *Western Australia v Ward* (2002) held that Native Title rights do not exist in minerals or petroleum. While the Court noted that the evidence lead at trial did not establish any Native Title rights or interest in any mineral or petroleum, it commented that even if such a right had been established those rights would have been extinguished by the *Mining Act 1904* (WA) and the *Petroleum Act 1936* (WA).

4.2 The Standing of Titles

(a) Pre 1994 Tenements

The Native Title Act, amongst other things, validates acts done before 1 January 1994 (the date on which the Native Title Act came into operation) which were invalid because of the existence of Native Title. These are called "past acts". The Native Title Act also permitted States and Territories to validate past acts and Western Australia enacted the *Titles Validation Act 1995* (WA) for this purpose in July 1995.

In a case where a Native Title claim is made or determined to exist over an area of land being the subject of such a tenement, the tenement will remain valid for the duration of its term. Native Title holders may be entitled to compensation from the State Government for the effect of that grant on Native Title rights (see also comments under (c) below).

The Tenements that were granted prior to 1994 are E29/117; E29/138.

(b) Tenements Granted between 1 January 1994 and 23 December 1996

On 23 December 1996 the High Court handed down its decision in *The Wik Peoples v State of Queensland & Ors* (1996) (the "Wik") case. That case held, amongst other things, that a pastoral lease does not necessarily extinguish Native Title. Prior to the Wik decision, some States and Territories granted mining tenements on the assumption that a pastoral lease extinguished Native Title. Based on that assumption some mining tenements were granted over pastoral leases without complying with the future act procedures of the Native Title Act. Following the decision in Wik there was some uncertainty as to the validity of those tenements and the Native Title Act was substantially amended.

The Wik amendments included provisions validating acts done by the Commonwealth in the period between 1 January 1994 and the date of the Wik decision (23 December 1996). The amendments also made it possible for State and Territory governments to validate acts done in that intermediate period and Western Australia legislated to validate the grant of such tenements by amending the *Titles Validation Act 1995* in May 1999 and, further in December 1999. The Act becoming known as the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* (WA) ("WA Act").

As a result, mining tenements granted between 1 January 1994 and 23 December 1996 are validated, and the non-extinguishment provisions apply. The WA Act also provides that any compensation claimed by Native Title claimants in respect of past acts of the State is to be paid by the State in accordance with the principles of compensation under the Native Title Act (see also comments under (c) below).

The relevant Tenement granted between 1994 and 23 December 1996 is E29/279.

(c) Tenements Granted after 23 December 1996

Tenements granted since 23 December 1996 will be valid provided that the Native Title Act has been complied with. Pursuant to amendments to the Mining Act which commenced on 11 January 1999, the applicant or the holder of the relevant mining tenement is liable for compensation to native title holders in respect of the grant of the mining tenement. The position is untested as to whether these compensation provisions have retrospective effect.

The Tenements granted after 23 December 1996 are E29/370; E29/532; E29/534; E57/551; E57/552; E57/555; E57/556; E29/459; E29/537.

(d) Current Applications

The valid grant of any future tenement, including any tenements presently in the application stage, will require full compliance with the provisions of the Native Title Act (see below), and in effect, successful negotiation with registered Native Title claimant groups.

The Tenements which are currently under application are E29/533; E51/1034; M29/257; M29/258 and M29/314.

(e) Extension of Term/ Renewals

The renewal or extension of term of certain valid mining tenements where the renewal or extension does no more than replicate the original grant no longer attracts the right to negotiate provisions.

(f) New Tenement Applications and the Right to Negotiate

If the Company applies for any new tenements where the underlying tenure is not 100% private freehold (or another exclusive possession tenure), including any application for mining leases, the grant of such tenements will be subject to the right to negotiate procedures (unless the expedited procedure can be applied). The right to negotiate consists of a statutory period of negotiation between the Government party, the Native Title party and the grantee party.

The right to negotiate involves the Native Title holders being notified of the proposed act, and the parties negotiating in good faith in relation to the doing of that act. If no agreement is reached, and at least six months have passed since the notification day, the matter is referred to the arbitral body for determination. The arbitral body then determines whether the act can be done, not done or done but subject to conditions. A right then exists for a State or Territory Minister to overrule the determination of the arbitral body if it considers it to be in the State's interest.

(g) Indigenous Land Use Agreements

Indigenous Land Use Agreements ("ILUAs") are authorised under the Native Title Act and they provide for Native Title claimants or holders and the Company to enter into agreements that, once registered, can serve to validate tenements that have already been granted and that may be invalid. ILUAs can also be used to obtain the Native Title claimants or holders' consent to the granting of current tenement applications and to obtain the Native Title claimants or holders' consent for future tenement applications within a certain area.

Similarly, the Company and Native Title claimant groups can negotiate and enter into agreements covering heritage protocols for exploration and/or mining, which will facilitate the grant of tenement applications.

4.3 Native Title Claims

There are currently 7 Native Title claimant applications over the Tenements which are noted in Schedule A.


WC 99/10 Wutha, WC99/1 Wongatha, WC99/46 Yugunga-Nya People and WC00/12 Ngoonooru Wadjari People are presently registered claims, and the claimants therefore hold the right to negotiate in relation to any future acts granted in the area of the claim.

WC 95/1 Koara and WC 95/12 Koara No 2 have been combined into WC 99/5 Koara People. WC99/5 Koara People is presently not a registered claim and therefore the claimants do not have the right to negotiate in relation to tenements presently advertised pursuant to section 29 of the Native Title Act. However, the claimants may seek to have the claim registered in the future by providing further information to the Native Title Registrar. Should this occur, and the claim be found to meet the requirements of the registration test, then the claimants would hold the right to negotiate in relation to tenement applications advertised after the claim is registered.

WC95/82, the Sir Samuel Claim WC95/82 is also not registered. The claimants therefore do not have a right to negotiate in relation to any tenement applications presently advertised, however may seek to have the claim registered in the future.

4.4 Aboriginal Heritage and Aboriginal Sites

There is Commonwealth heritage legislation, the *Aboriginal and Torres Strait Islanders Heritage Act 1984* (Cth) ("**Commonwealth Heritage Act**"), which applies to all of the Tenements. The Act is aimed at the preservation and protection of significant Aboriginal areas and objects through their use in a manner inconsistent with Aboriginal traditions. There may be sites of Aboriginal heritage or significance that are subject to such legislation that are located on the land on which the Tenements are situated.



The *Aboriginal Heritage Act 1972* (WA) ("**WA Heritage Act**") also applies to the Tenements. This Act makes it an offence to alter or damage an Aboriginal site or object on or under an Aboriginal site. A 'site' is defined to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent.

Although the WA Heritage Act requires the respective Ministers to keep a register of Aboriginal Sites, there is no requirement for an Aboriginal site to be registered in any public manner or, indeed, be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal Site for the purposes of the WA Heritage Act. We have not conducted searches of these registers for the purpose of compiling this Report.

In respect of any Aboriginal sites or places of Aboriginal heritage that are on the Tenements or may be identified on the Tenements, the Company will need to ensure that any interference with Aboriginal Sites is in strict conformity with the provisions of the WA Heritage Act and the Commonwealth Heritage Act.

5. ACCESS TO ENVIRONMENTALLY SENSITIVE AREAS

5.1 Conservation Regulation

Each State and Territory of Australia restricts access for the purposes of exploration and/or mining to areas reserved for conservation. The laws and regulations are complicated and need to be taken into consideration when applying for a tenement and when seeking access.

In Western Australia conditions are imposed on tenements when they are granted to deal with exploration in sensitive areas. Where the land is reserved for conservation there are a number of restrictions. If the land is a National Park or Class 'A' Nature, Flora or Fauna Reserve then the land in question can be applied for as a tenement but no mining lease may be granted unless both Houses of Parliament by resolution consent. It is likely that any exploration tenements granted in sensitive areas would be subject to appropriate conditions which might impose significant obligations on the tenement holder.

5.2 Contaminated Sites

We note that Contaminated Sites Act 2003 ('CSA') was assented to on 7 November 2003 and is awaiting proclamation. The CSA establishes a regime for the identification, reporting, management and remediation of contaminated land.

The CSA defines "contaminated" to mean "having a substance present in or on (that) land, water or site at above background concentrations that presents, or has the potential to present, a risk of harm to human health, the environment or any environmental value". Exclusions to this definition can be prescribed by regulation.

As with the majority of Australian states, liability under the CSA is based on the polluter pays principle, with primary liability falling on the person who caused the contamination (depending on when this occurred).

In general, for contamination caused after the Act comes into effect, the person who caused the contamination is responsible for remediation. For past contamination (ie caused before the Act comes into effect) liability is determined in the following manner:

- where the contamination was caused by an act which was unlawful at the time, the person who caused it is responsible;
- where the contamination was caused by an act which was lawful at the time, the present land owner retains responsibility (with some exceptions).

Pullinger Readhead Lucas has not conducted any investigation into the environmental status of the Tenements for the purpose of compiling this Report. Should any of the Tenements have contamination within their boundaries the CSA will govern the management of those sites (assuming the act is proclaimed).

6. CONSENTS

Pullinger Readhead Lucas consents to being named in the Prospectus as being responsible for the preparation of this Report. Except for this Report, Pullinger Readhead Lucas:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) is not responsible for any matter included in or omitted from this Prospectus;
- (c) makes no representation or warranty, either express or implied, with respect to the accuracy or completeness of the information contained in the Prospectus; and
- (d) disclaims liability to any persons in respect of any statement included in or omitted from the Prospectus.

This Report is given solely for the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours sincerely



Pullinger Readhead Lucas


SCHEDULE A - SCHEDULE OF TENEMENTS & EXPENDITURE

Tenement Type	Tenement Number	Registered Holder	Shares	Date Granted	Date Expiry	Application Date	Area	Current Minimum Expenditure Required	Expenditure in most recent year (2003 or 2004)	Annual Rent (2005)	Comments
E	29/117	Anglo Australian Resources NL Sipa Exploration NL	407/1000ths 593/1000ths	19/12/1990	18/12/1998	-	2.46 sq.km	\$20,000.00	\$3,235.00	\$113.19	1, 2, 3, 4, 5, 6, 7, 8, 24, 25, 26, A, B Agreement 3
E	29/138	Sipa Exploration NL	100/100ths	09/09/1991	08/09/1998	-	9.60 sq.km	\$20,000.00	\$21,136.00	\$377.30	9, 10, 11, 24, 25, A, B Agreement 3
E	29/279	Anglo Australian Resources NL Sipa Exploration NL	407/1000ths 593/1000ths	15/04/1996	14/04/2002	-	1 block	\$10,000.00	\$15,241.00	\$99.00	12, 13, 14, 15, 16, 17, 25, 27, 28, 29, 30, A, B Agreement 3
E	29/370	Sipa Exploration NL	100/100ths	29/11/1999	28/11/2004	-	13 blocks	\$20,000.00	\$4,561.00	\$1,287.00	18, 19, 20, 25, 27, 31, 32, 35, A, B Agreement 3
E	29/532	Sipa Exploration NL	100/100ths	29/12/2003	28/12/2008	-	42 blocks	\$37,800.00	-	\$4,158.00	27, 33, 34, 36, 37, A, B, C, D Agreement 3
E	29/533	Sipa Exploration NL	100/100ths	-	-	22/01/2003	37 blocks	-	-	-	A, B Agreement 3
E	29/534	Plateau Resources Ltd	100/100ths	20/11/2003	19/11/2008	-	9 blocks	\$20,000.00	-	\$891.00	27, 33, 34, 36, 37, 38, A, B, Agreement 6
E	57/551	Creasy, Mark Gareth	100/100ths	07/10/2003	06/10/2008	-	70 blocks	\$63,000.00	-	\$6,930.00	25, 27, 34, 36, 39, A, B, D Agreement 5
E	57/552	Rutter, John Henry	100/100ths	28/08/2003	27/08/2008	-	40 blocks	\$36,000.00	-	\$3,960.00	25, 27, 34, 36, 40, A, D Agreement 1
E	57/555	Sipa Exploration NL	100/100ths	30/12/2003	29/12/2008	-	63 blocks	\$56,700.00	-	\$6,237.00	27, 33, 34, 36, 41, 42, 43, 44, A, B, D, E Agreement 3
E	57/556	Sipa Exploration NL	100/100ths	29/08/2003	28/08/2008	-	70 blocks	\$63,000.00	-	\$6,930.00	25, 27, 34, 36, 45, A, D Agreement 3
E	29/459	Mindex Ltd	100/100ths	21/07/2000	20/07/2005	-	34 blocks	\$30,600.00	\$86,870.00	\$3,366.00	21, 22, 23, 25, 27, 32, 35, A, Agreement 2
E	51/1034	Sipa Exploration NL	100/100ths	-	-	06/12/2002	70 blocks	-	-	-	F, G Agreement 3
E	29/537	Rutter, John Henry	100/100ths	12/12/2003	11/12/2008	-	12 blocks	\$20,000.00	-	\$1,188.00	27, 33, 34, 36, 46, A, C Agreement 4
M	29/257	Sipa Exploration NL	100/100ths	-	-	07/09/1998	960ha	-	-	-	47, A, B, Agreement 3
M	29/258	Anglo Australian Resources NL Sipa Exploration NL	407/1000ths 593/1000ths	-	-	07/09/1998	246ha	-	-	-	48, A, B, Agreement 3
M	29/314	Anglo Australian Resources NL Sipa Exploration NL	407/1000ths 593/1000ths	-	-	11/04/2002	301ha	-	-	-	49, A, B, Agreement 3


Notes:

1. E29/117: Expenditure exemptions have been granted every year for the preceding 7 years (including an exemption for \$14,306.00 for 2002). Application for an exemption of \$16,764.00 for 2003 was refused. A fine has been imposed and paid.
2. E29/117: This exploration licence is subject to a Section 67 application pursuant to the Mining Act to convert the area the subject of the licence, or part thereof, to a mining lease. This exploration licence continues in force on and after 12 midnight on 18 December 1998 only in respect to that portion of land comprised within Application for Mining Lease 29/258.
3. E29/117: This exploration licence is subject to Agreement 100H/912 (Heads of Agreement) between Anglo Australian Resources NL and Sipa Resources International NL registered on 25 October 1991.
4. E29/117: This exploration licence is subject to Agreement 11H/978 (Joint Venture) between Sipa Exploration NL and Anglo Australian Resources NL and registered on 7 July 1997.
5. E29/117: This exploration licence is subject to Agreement 12H/978 (Sale and Purchase) between Sipa Exploration NL and Sipa Perenjori NL and registered on 7 July 1997.
6. E29/117: This exploration licence is subject to Agreement 13H/978 (Deed of Variation) between Sipa Perenjori NL and Anglo Australian Resources NL and registered on 7 July 1997.
7. E29/117: Caveat 901H/989 lodged on 15 April 1999 by Sipa Perenjori NL in respect to 407/1000ths shares in the name of Anglo Australian Resources NL.
8. E29/117: This exploration licence is subject to Agreement 117H/034 (Option to Purchase) between Sipa International NL and Bronick Limited and registered 17 June 2004.
9. E29/138: This exploration licence is subject to a Section 67 application pursuant to the Mining Act to convert the area the subject of the licence, or part thereof, to a mining lease. This exploration licence continues in force 12:00 midnight on 8 September 1998 only in respect to that portion of land comprised within Mining Lease 29/257.
10. E29/138: This exploration licence is subject to Agreement 10H/978 (Sale and Purchase) between Sipa Resources International NL and Sipa Perenjori NL registered on 7 July 1997.
11. E29/138: This exploration licence is subject to Agreement 117H/034 (Option to Purchase) between Sipa Resources International NL and Bronick Limited and registered 25 May 2004.
12. E29/279: Conversion 108400 was lodged on 11 April 2002 in relation to a Section 67 application for M29/314 to convert the area the subject of the licence, or part thereof, to a mining lease.
13. E29/279: This exploration licence is subject to Agreement 11H/978 (Joint Venture) between Sipa Exploration NL and Anglo Australian Resources NL registered on 7 July 1997.
14. E29/279: This exploration licence is subject to Agreement 12H/978 (Sale and Purchase) between Sipa Perenjori NL and Sipa Exploration NL registered on 7 July 1997.
15. E29/279: This exploration licence is subject to Agreement 13H/978 (Deed of Variation) between Sipa Perenjori NL and Anglo Australian Resources NL registered on 7 July 1997.
16. E29/279: Caveat 902H/989 lodged on 15 April 1999 by Sipa Perenjori NL in respect to 407/1000ths shares in the name of Anglo Australian Resources NL.
17. E29/279: Expenditure exemptions have been granted for expenditure years 2001, 2002 and 2003; including an exemption of \$3,642.00 for 2003.
18. E29/370: Expenditure exemptions have been granted for expenditure years 2001, 2002 and 2003; including an exemption of \$31,623.00 for 2002. Application for exemption of \$17,938 for 2003 was refused. A fine has been imposed and paid.
19. E29/370: This exploration licence expires on 28 November 2004.

20. E29/370: This exploration licence is subject to Agreement 117H/034 (Option to Purchase) between Sipa Resources International NL and Bronick Limited and registered 25 May 2004.
21. E29/459: This exploration licence expires on 20 July 2005.
22. E29/459: Partial Surrender 644H/034 was registered on 12.00 Midnight 19 January 2004 releasing surrendered area on 27 January 2004 under Section 65(5).
23. Exemption for drop off 199009 lodged on 16 June 2004 and is pending.
24. The exploration licence is subject to the following condition: compliance with the provisions of the Aboriginal Heritage Act, 1972 to ensure that no action is taken which would interfere with or damage any Aboriginal site.
25. The exploration licence is subject to the following conditions:
- (a) All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe after completion.
 - (b) All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the District Mining Engineer. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the District Mining Engineer.
 - (c) All waste material, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from mining tenement prior to or at the termination of exploration program.
 - (d) Unless the written approval of the District Mining Engineer, Department of Mines, is first obtained the use of scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface clearing or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
26. The exploration licence is subject to the following condition: no mining of Trig Station Reserve 37245 (Mt Forrest NMF 390) without the prior written consent of the Minister for Mines.
27. The licensee's attention is drawn to the provisions of the Aboriginal Heritage Act, 1972.
28. The exploration licence is subject to the following endorsement: pursuant to the Savings and Transitional Provisions of the Mining Amendment Act 1990 all land surrendered, forfeited (other than forfeiture by plaint action) or expiring from a non-graticular exploration licence will automatically be included into a graticular exploration licence, provided the surrender, forfeiture or expiry occurred after the grant of the graticular licence.
29. The exploration licence is subject to the following condition: the licence or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
- (a) the grant of the licence; or
 - (b) registration of a transfer introducing a new licensee
- advise, by certified mail, the holder of any underlying pastoral lease details of the grant or transfer.
30. In the event of land currently comprised in Exploration Licence 29/117 later being included in this licence pursuant to the Savings and Transitional Provisions of the Mining Amendment Act 1990, then the following conditions shall apply in respect of that land:
- (a) No mining of Trig Station Reserve 37245 without the prior written consent of the Minister for Mines;
 - (b) No interference with Geodetic Survey Station NMF 390 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

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31. The exploration licence is subject to the following endorsement: pursuant to the Savings and Transitional provisions of the Mining Amendment Acts 1990 and 1994 all land surrendered, forfeited (other than forfeiture by plaintiff action) or expiring from a non-graticular exploration licence will either:
- (a) automatically be included into a graticular exploration licence, provided the surrender, forfeiture or expiry occurred after the grant of the graticular licence; or
 - (b) automatically be included into an application for a graticular exploration licence provided the surrender, forfeiture or expiry occurred after 14 October 1995.
32. The exploration licence is subject to the following condition: the licensee notify the holder of any underlying pastoral lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
33. The exploration licence is subject to the following conditions:
- (a) All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe after completion.
 - (b) All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry and Resources (DoIR). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, Department of Industry and Resources (DoIR).
 - (c) All waste material, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
 - (d) Unless the written approval of the Environmental Officer, DoIR is first obtained, the use of scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface clearing or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
34. The exploration licence is subject to the following condition: the licensee notify the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
35. The exploration licence is subject to the following condition: the licence or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
- (a) the grant of the licence; or
 - (b) registration of a transfer introducing a new licensee
- advise, by registered post, the holder of any underlying pastoral lease details of the grant or transfer.
36. The exploration licence is subject to the following condition: the licence or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
- (a) the grant of the licence; or
 - (b) registration of a transfer introducing a new licensee
- advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.

37. In respect to the area of land referred to in Tengraph as File Notation Area (FNA) 4947 the following additional conditions apply:
- (a) Prior to any ground-disturbing activity, as defined by the State Mining Engineer, the licensee preparing a detailed program for each phase of proposed exploration for approval of the State Mining Engineer. The program to include:
 - (i) maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances;
 - (ii) the purpose, specifications and life of all proposed disturbances;
 - (iii) proposals which may disturb any declared rare or geographically restricted flora and fauna; and
 - (iv) techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances.
 - (b) The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the State Mining Engineer. Such rehabilitation as is appropriate may include:
 - (i) stockpiling and return of topsoil;
 - (ii) backfilling all holes, trenches and costeans;
 - (iii) ripping;
 - (iv) contouring to the original landform;
 - (v) revegetation with seed; and
 - (vi) capping and backfilling of all drill holes.
 - (c) Prior to the cessation of exploration/prospecting activity the licensee notifying the Regional Environmental Officer, Department of Industry and Resources and arranging an inspection as required.
38. The exploration licence is subject to the following endorsement: the grant of this licence does not include the land the subject of the prior Exploration Licence 29/138 and 29/370. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia"
39. The exploration licence is subject to the following condition: no interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
40. In respect to the area outlined in "red" (FNA 4803) as shown in TENGRAPH the following condition shall apply: no prospecting, exploration or mining activities being conducted that will interfere with or endanger the construction or operation of the Gas/Petroleum pipeline and associated facilities and rights of ingress to and egress from the area being at all times preserved to the holders, their employees, agents and contractors.
41. The exploration licence is subject to the following endorsement: the grant of this licence does not include the land the subject of prior Exploration Licences 57/202 and 57/422. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia"
42. The exploration licence is subject to the following condition: the rights of ingress to and egress from Miscellaneous Licence 36/131 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
43. The exploration licence is subject to the following condition: the prior written consent of the Minister for State Development being obtained before commencing mining on Trigonometrical Station Reserve 44122.
44. The exploration licence is subject to the following condition: no interference with Geodetic Survey Station AM2 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
45. The exploration licence is subject to the following condition: the prior written consent of the Minister for State Development being obtained before commencing mining on Water Reserve 8294.

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46. The exploration licence is subject to the following endorsement: the grant of this licence does not include the land the subject of prior Exploration Licence 29/189 and 29/192. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".
 47. Section 67 conversion of E29/138.
 48. Section 67 conversion of E29/117.
 49. Section 67 conversion of E29/279.

Native Title Claims:

- A. The Land the subject of this Tenement is subject to Native Title Claim WC 99/010 Wutha.
- B. The Land the subject of this Tenement is subject to Native Title Claim WC 95/12 Koara No 2 (de-registered).
- C. The Land the subject of this Tenement is subject to Native Title Claim WC 99/1 Wongatha.
- D. The Land the subject of this Tenement is subject to Native Title Claim WC 95/1 Koara (de-registered).
- E. The Land the subject of this Tenement is subject to Native Title Claim WC 95/82 Sir Samuel No 2 (de-registered).
- F. The Land the subject of this Tenement is subject to Native Title Claim WC 99/46 Yungunga-Nya People.
- G. The Land the subject of this Tenement is subject to Native Title Claim WC 00/12 Ngoonooru Wadjari People.

Agreements

See Schedule B

SCHEDULE B- SUMMARY OF MATERIAL CONTRACTS

1. Everett Creek Option Agreement between John Henry Rutter ("Rutter") and Paradise Gold (WA) Ltd ("Paradise").

By an Option Agreement dated 27 February 2003 ("the Agreement"), Rutter granted Paradise an option to purchase an Application for Exploration Licence 57/552 ("the Tenement") for \$8,000 (exclusive of GST). The Agreement was varied by a deed of variation dated 31 December 2003 under which Paradise assigned its interest in the Agreement to Mindax Limited.

The option was required to be exercised on or before 27 August 2003, which period was extended for consideration of \$8,000 (exclusive of GST). The option was exercised by Mindax on 27 February 2004.

Having exercised the option, Rutter and Mindax entered into a contract for the sale and purchase of the Tenement on the following terms:-

- (a) Mindax acquired the Tenement for \$20,000 (excluding GST) plus 200,000 fully paid ordinary shares at \$0.20.
- (b) Mindax agreed to pay Rutter a 2% royalty on any gold product and a 1% royalty on the net smelter return received from the sale of any other minerals.
- (c) The Tenement was sold free of all encumbrances.
- (d) Rutter agreed to hold the Tenement in trust for Mindax from the exercise date until the transfer of the Tenement is registered.

The Agreement contains warranties and covenants which are usual for an agreement of this nature.

2. Lake Barlee Option Agreement between Mabank Nominees Pty Ltd ("Mabank") and Paradise Gold (WA) Limited ("Paradise").

By an Option Agreement dated 10 March 2003 ("the Agreement"), Mabank granted Paradise an option to purchase Exploration Licence E29/459 ("the Tenement") for \$15,000 (excluding GST). The Agreement was varied by a further agreement dated 31 December 2003 under which Paradise assigned its interest in the Agreement to Mindax Limited.

The option was required to be exercised on or before 10 September 2003, which period was extended for consideration of \$8,000 (exclusive of GST). The option was exercised by Mindax on 10 March 2004.

Having exercised the option, Mabank and Mindax entered into a contract for the sale and purchase of the Tenement on the following terms:-

- (a) Paradise acquired the Tenement for \$75,000 (excluding GST).
- (b) The Tenement was sold free from encumbrances.
- (c) Mabank agreed to hold the Tenement on trust for Paradise from the option exercise date until the transfer of the Tenement is registered.

Either party may assign its rights under the Agreement provided they have obtained the written consent of the other party and the assignee has agreed to recognise the rights of the parties under and agrees to be bound by the Agreement.

The Agreement contains warranties and covenants that are usual for an agreement of this nature.

3. Murchison Properties Option Agreement between Mindax Limited ("Mindax") and Sipa Resources NL ("Sipa").

By an Option Agreement dated 31 December 2003 ("the Agreement"), Sipa granted Mindax an option to purchase interests in various tenements situated predominantly in the Murchison District of Western Australia, for \$1.00 (excluding GST). The Tenements are E51/1034, M29/257, M29/258, M29/314, E29/117, E29/138, E29/279, E29/370, E29/459, E29/532, E29/533, E57/552, E57/555, E57/556 (collectively "the Tenements"). Sipa is either the owner of the individual tenements or able to procure the transfer of ownership of the Tenements.

The Agreement was varied and the option exercised by letter dated 27 August 2004. The Agreement was also varied by Deed of Variation (signed by the parties but undated). The effect of the Deed of Variation was to apportion the consideration between the Bulga Downs Property (being Sipa's 59.3% interest in E29/117 and E29/279 (together with related mining lease applications)). In addition, the Deed states that upon exercise of the option two contracts of sale would arise namely a contract of sale for the Bulga Downs Property and a contract of sale for the remaining sale assets.

Having exercised the option Mindax and Sipa entered into a contract for the sale and purchase of the Tenements on the following terms (as varied by the letter dated 27 August 2004):-

- (a) Mindax agreed to acquire the Tenements for \$500,000 (excluding GST) with \$200,000 paid upon exercising the option and the balance payable in Mindax scrip upon Mindax's securities being listed for quotation on ASX.
- (b) Mindax is required to pay Sipa a royalty on the terms outlined below.
- (c) The Tenements will be sold free from all encumbrances.
- (d) In the event listing of Mindax has not occurred by 31 March 2005, Sipa may elect to the balance of the consideration being satisfied by the allotment of 1,500,000 shares in Mindax or the payment of \$300,000 in cash by close of business on 30 April 2005.

Sipa is entitled to a royalty of 2% on any gold produced on the following terms:-

- (a) No royalty is payable until Mindax has produced 150,000 ounces of gold from the Tenements.
- (b) If at the date of the transfer of a Tenement, Sipa owns less than 100% of the interests in the Tenement, the royalty payable will be commensurate with Sipa's original interest in the Tenement.

(c) Where a Tenement is already subject to a third party royalty, then an amended royalty equal to 2% of net costs inclusive of the pre-existing royalty will apply.

(d) Mindax has a right of first refusal if Sipa wishes to sell or otherwise assign its royalty right.

The Agreement contains warranties and covenants that are usual for an agreement of this nature.

Anglo Australian Resources NL ("Anglo") holds a 39% interest in E29/117 and E29/279 under a joint venture agreement with Sipa (reduced to 39% as a result of dilution). Mindax agreed to purchase Anglo's 39% interest in the tenements by letter agreement dated 27 May 2004.

Pursuant to the Letter Agreement with Anglo, Mindax paid \$80,000 to acquire the interest and acquired the right to enter upon the tenements and conduct exploration activities from the time of acceptance of its offer. The purchase is subject to the tenements being in good standing and subject to no encumbrances. Anglo also agreed to waive any pre-emptive rights it may have held in relation to the sale or transfer of Sipa's interest in the tenements to Mindax.

4. Mt Alexander Option Agreement between John Henry Rutter ("Rutter") and Mindax Limited ("Mindax").

By an Option Agreement dated 28 December 2003 ("the Agreement"), Rutter granted Mindax an option to purchase an Application for Exploration Licence E29/537 ("the Tenement") for \$8,000 (excluding GST).

The option was exercised on 28 June 2004.

Having exercised the option, Rutter and Mindax agreed to enter into a contract for the sale and purchase of the Tenement on the following terms:-

(a) Mindax acquired the Tenement for \$20,000 (excluding GST) and 160,000 fully paid ordinary shares in Mindax if shares are issued to the public at \$0.25 and 200,000 fully paid ordinary shares in Mindax if shares are issued to the public at \$0.20.

(b) Mindax must also pay Rutter a royalty of 2% on any gold product and 1% of the net smelter return received from the sale of any other mineral.

(c) The Tenement will be sold free from encumbrances.

(d) Rutter shall hold the Tenement in trust for Mindax from the exercise date until the transfer of the Tenement is registered.

The Agreement contains warranties and covenants which are usual for an agreement of this nature.

5. Maynard Hills Sale and Joint Venture Agreement between Mark Gareth Creasy ("Creasy") and Mindax Limited ("Mindax").

By a Sale and Joint Venture Agreement dated 5 January 2004 ("the Agreement"), Creasy granted Mindax the right to earn a 70% interest ("Interest") in Exploration Licence 57/551 ("the Tenement"). The terms of the Agreement are summarised below.

The Agreement is conditional upon Mindax listing on the ASX by 31 December 2004. The listing date was extended to 31 December 2004 by Mindax making payment of \$70,000 to Creasy which will be used by Creasy on exploration and maintenance on the Tenement.

Under the Agreement, Mindax must produce a final feasibility study within an earning period of 3 years from Mindax listing on the ASX ("the Initial Earning Period"). The Initial Earning Period can be extended by Mindax paying an additional \$100,000 to Creasy before the expiry of the Initial Earning Period. During the Initial Earning Period, and any extension, Mindax must meet all costs relating to the Tenement and keep the Tenement in good standing.

As consideration for Mindax being granted the right to earn the Interest, Mindax must pay \$20,000 to Creasy to reimburse him for exploration costs and also issue to Creasy 150,000 fully paid ordinary shares in Mindax. The consideration is payable on Mindax listing on ASX.

Following Mindax listing on the ASX and completing the final feasibility study, which will trigger Mindax's right to earn the Interest, the parties shall form a joint venture ("Joint Venture"). Mindax will hold a 70% interest in the Joint Venture, and Creasy will hold the remaining 30% interest.

The parties shall agree on a mining area ("Mining Area") within the Tenement. After mining operations have been commenced on an orebody in a Mining Area, exploration costs for the orebody are to be borne by the parties commensurate with their Joint Venture interests, provided that these costs are capable of being satisfied with profits attributable to the mining operations. Where the profits are insufficient for this purpose, Mindax must pay the shortfall. In respect of areas outside the orebody in the Mining Area, Mindax must bear all the exploration costs.

If a party elects to not contribute its required expenditure commitment under the Joint Venture its interest will be diluted and the other party's interest increased. If a party's interest falls below 5% the interest will be free carried by the other party.

The Agreement provides for management and technical committees to be established. Mindax will be the manager of the Joint Venture and shall appoint the chairman of each committee. The manager is responsible for managing and conducting all exploration activities and carrying out all instructions of the management committee. The voting power of each party in respect of the management and technical committees is commensurate with each party's Joint Venture interest.

Creasy may request that Mindax provide details of all significant exploration results and mining information in relation to the Tenement. Mindax is required to provide Creasy with copies of expenditure reports lodged with the Department of Mines. If any party applies for a new mining tenement within the external boundaries of the Tenement, the new tenement shall form part of the Joint Venture property unless the other party agrees to the new mining tenement not being included in the Joint Venture property.

The Agreement may be terminated at any time by the parties. Upon termination by Mindax, and where Mindax is the registered owner of an interest in the Tenement, it must transfer the interest to Creasy for no consideration and Mindax is also obliged to expend or have expended a pro-rata proportion of the Tenement's annual expenditure requirements. The Agreement may also be terminated by the default of either party in respect of the performance of their material obligations. Upon default, the defaulting party may be required to forfeit its interest in the Joint Venture.

The Agreement contains warranties and covenants usual for an agreement of this nature.

6. Letter Agreement between Plateau Resources Limited ("Plateau") and Mindax Limited ("Mindax").

By Letter Agreement dated 14 January 2004, Plateau agreed to sell to Mindax E29/534 free of all encumbrances together with all related data and technical information. The consideration of \$25,000 was satisfied by Mindax issuing and allotting 2,500,000 shares at \$0.01 each.



1 October 2004

The Directors
Mindax Limited
171 South Terrace
COMO WA 6152

Horwath Securities (WA) Pty Ltd

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A member of Horwath Professional
171 South Terrace, Como WA 6152
PO Box 700 West Perth WA 6150
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Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the directors of Mindax Limited ("MDX") for inclusion in a Prospectus dated on or about 12 October 2004 inviting participation in the issue by MDX of 15,000,000 ordinary fully paid shares, with a 1 for 2 attaching option, at an issue price of \$0.20 each to raise \$3,000,000 and may accept oversubscriptions of 2,500,000 shares, with a 1 for 2 attaching option, to raise an additional \$500,000. The option is to have an exercise price of \$0.20 and expiry date 18 months from admission to the Australian Stock Exchange ("ASX") Official List.

All amounts are expressed in Australian Dollars unless otherwise stated.

2. Background

The Company was incorporated on 30 October 2003 as Bronick Limited, with the name subsequently being changed to Mindax Limited on 18 December 2003. Since incorporation and up to 20 September 2004 the company has issued 26,587,395 shares to raise \$1,148,236.

3. Capital Structure

This Prospectus is offering 15,000,000 fully paid ordinary shares in MDX at an issue price of \$0.20 each, to raise \$3,000,000. As at 20 September 2004 the shareholding of the company was as follows:

Shareholders at 20 September 2004	Number of Shares	%	Number of Options	%
Subscriber / Seed	14,806,144	55.69	-	-
Vendor	2,500,000	9.41	-	-
Director	9,281,251	34.90	-	-
TOTAL	26,587,395	100.00	-	-

Following the issue of 15,000,000 shares and the successful completion of the issue, the capital structure and ownership of MDX will be as follows:

Shareholders	Number of Shares	%	Number of Options	%
Subscriber / Seed	14,806,144	33.93	-	-
Vendor	4,550,000	10.43	-	-
Director	9,281,251	21.27	-	-
Public	15,000,000	34.37	7,500,000	100.00
TOTAL	43,637,395	100.00	7,500,000	100.00

It should be noted that MDX may accept oversubscriptions of 2,500,000 shares, with a 1 for 2 attaching option, to raise an additional \$500,000.

4. Basis of Preparation

This report has been included in this Prospectus to assist investors and their financial advisers to make an assessment of the financial position and performance of MDX. This report does not address the rights attaching to the shares to be issued in accordance with this Prospectus, nor the risks associated with the investment.

The Directors of MDX have requested Horwath Securities (WA) Pty Ltd ("Horwath") to prepare an Investigating Accountant's Report for inclusion in this Prospectus dealing with the following financial and other information:

- (i) the audited results of MDX for the period from incorporation on 30 October 2003 to 30 June 2004;
- (ii) the audited statement of financial position of MDX as at 30 June 2004; and
- (iii) the proforma statement of financial position of MDX adjusted to include funds to be raised by the Prospectus and the completion of the transactions referred to in Note 2 of Appendix 3.

5. Scope of Review

Our review has been conducted in accordance with Auditing Standard AUS 902 "Review of Financial Reports". Our review was limited primarily to enquiries of company personnel, review of the historical and proforma financial information, analytical procedures applied to financial data, performance of certain limited verification procedures and comparison of consistency in application of accounting standards and policies.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

6. Statement

Based on our audit, nothing has come to our attention that causes us to believe that the financial information as set out in Appendix 1, 2 and 3 does not present fairly:

- i) the results of MDX for the period ended 30 June 2004;
- ii) the statement of financial position of MDX as at 30 June 2004; and
- iii) the proforma statement of financial position of MDX as at 20 September 2004 adjusted to include funds to be raised by the Prospectus and the completion of the transactions referred to in Note 2 of Appendix 3,

in accordance with the accounting methodology required by applicable Australian Accounting Standards, Urgent Issues Group Consensus Views and the accounting policies adopted by MDX as described in Note 1 and on the basis of the assumptions and transactions set out in Appendix 3.

7. Subsequent Events

Other than the matters referred to in Note 12 to Appendix 3, there have been no material items, transactions, or events subsequent to 30 June 2004, which relate to conditions existing at that balance date which require comment or adjustment to the figures in this report.

To the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 30 June 2004, which, although they do not relate to conditions existing at that date, would cause reliance on the figures in this report to be misleading.

8. Declarations

- (a) Horwath will be paid a fee of \$5,000 based upon normal charge rates and professional time incurred in the compilation of information and the preparation of this report. The involvement of Horwath in the preparation of this Prospectus is limited to the preparation of this report;
- (b) Horwath was not involved in any other aspect of this Prospectus and did not authorise or cause the issue of any other part of this Prospectus and we have only issued our consent in respect of the inclusion of this report in this Prospectus;
- (c) The author of this report does not have any interest in MDX or the shares offered by this Prospectus;
- (d) The giving of our consent for the inclusion of this report in this Prospectus should not be taken as an endorsement of MDX or a recommendation by Horwath of any participation in the offer by any intending investors;
- (e) The author of this report gives no assurance or guarantee whatsoever in respect of the future success of or financial returns associated with the subscription for shares being offered pursuant to this Prospectus: and
- (f) This report should be read as a whole and no part of it quoted, otherwise referred to, or produced without prior written consent of Horwath.

Yours faithfully

HORWATH SECURITIES (WA) PTY LTD

HORWATH SECURITIES (WA) PTY LTD

GLYN O'BRIEN

GLYN O'BRIEN
Director

APPENDIX 1

Mindax Limited

Statement of Financial Performance

For the Period Ended 30 June 2004

	Audited 30 June 2004 \$
Revenues from ordinary activities	4,559
Management fees	(16,699)
Other expenses from ordinary activities	(330)
(Loss) from ordinary activities before income tax expense	(12,470)
Income tax expense relating to ordinary activities	-
(Loss) from ordinary activities after related income tax expense	(12,470)
NET (LOSS)	(12,470)

To be read in conjunction with Appendix 3

APPENDIX 2

Mindax Limited

Statement of Financial Position

As at 30 June 2004

	Note	Audited 30 June 2004 \$	Proforma \$
CURRENT ASSETS			
Cash	3	235,316	3,161,371
Receivables	4	23,145	-
Other	5	35,405	-
TOTAL CURRENT ASSETS		<u>293,866</u>	<u>3,161,371</u>
NON-CURRENT ASSETS			
Exploration Expenditure	6	539,562	1,173,061
Other		1,785	1,785
TOTAL NON-CURRENT ASSETS		<u>541,347</u>	<u>1,174,846</u>
TOTAL ASSETS		<u>835,213</u>	<u>4,336,217</u>
CURRENT LIABILITIES			
Payables	7	191,076	-
Other	8	47,250	-
TOTAL CURRENT LIABILITIES		<u>238,326</u>	<u>-</u>
TOTAL LIABILITIES		<u>238,326</u>	<u>-</u>
NET ASSETS		<u>596,887</u>	<u>4,336,217</u>
EQUITY			
Contributed equity	9	609,357	4,362,687
Accumulated losses		(12,470)	(26,470)
TOTAL EQUITY		<u>596,887</u>	<u>4,336,217</u>

To be read in conjunction with Appendix 3

APPENDIX 3

Mindax Limited

Notes to the Statement of Financial Position and Statement of Financial Performance

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The statement of financial position and statement of financial performance (collectively referred to as the "financial statements") have been prepared in accordance with applicable Accounting Standards and Urgent Issues Group Consensus Views. The disclosure requirements of applicable Accounting Standards have only been applied as considered relevant and appropriate.

The financial statements have also been prepared on the basis of historic cost and do not take into account changing money values or current values of non-current assets.

Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

(b) Exploration and Evaluation Expenditure

Expenditure incurred during exploration and the early stages of evaluation of new areas of interest is written off as incurred.

Where the Directors decide to progress the development in an area of interest all further expenditure incurred relating to the area will be capitalised.

Projects are advanced to development status and classified as mining properties when it is expected that future expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditure is carried forward up to commencement of production at which time it is amortised over the life of the economically recoverable reserves.

All projects are subject to detailed review on an annual basis and accumulated costs written off to the extent that they will not be recoverable in the future.

Rehabilitation costs relating to mining activities are provided for from commencement of production on a unit-of-production basis. Estimates of future costs are reassessed at least annually and any changes in estimated costs of rehabilitation are dealt with prospectively over the remaining life of the mine.

(c) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense shown in the statement of financial performance is based on the operating profit before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit before income tax and taxable income are brought to account either as provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

APPENDIX 3 (continued)

Mindax Limited

Notes to the Statement of Financial Position and Statement of Financial Performance

(d) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

(e) Recoverable Amount

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount the asset is re-valued to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. To the extent that a revaluation decrement reverses a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to that reserve. Otherwise the decrement is recognised as an expense in the statement of financial performance.

(f) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company.

2. ACTUAL AND PROPOSED TRANSACTIONS TO ARRIVE AT PROFORMA STATEMENT OF FINANCIAL POSITION

The proforma statement of financial position reflects the 30 June 2004 statement of financial position adjusted to reflect the effect of the actual and proposed transactions pursuant to the proposed capital raising and assumes no oversubscription of shares. The transactions reflected in the proforma are as follows:

- a) The issue of 4,487,394 shares at 14c to raise \$628,235 pursuant to the rights issue and share placement program. Applications for shares of \$47,250 had already been received at 30 June 2004.
- b) The payment of the balance outstanding on the exercise of the option to acquire mining tenements in Everett Creek, exploration licence E57/552. The tenement was purchased for \$66,000 (inclusive of GST), with \$26,000 paid by cash prior to year-end. The balance owing of \$40,000 will be repaid via an issue of 200,000 shares for 20c;
- c) The payment of the balance outstanding on the exercise of the option to acquire mining tenements in Mt Alexander, exploration licence E29/537. The tenement was purchased for \$66,000 (inclusive of GST), with \$26,000 paid by cash prior to year-end. The balance owing of \$40,000 will be repaid via an issue of 200,000 shares for 20c;
- d) The exercise of the option to acquire mining tenements in Murchison, exploration licences E51/1034 (Meekatharra North), M29/257 (Paradise Bore 1), M29/258 (Mt Forrest North), M29/314 (Mt Forrest 1), E29/117 (Cabaret Bore), E29/138 (Paradise Bore), E29/279 (Mt Forrest), E29/370 (Toucan), E29/459 (Lake Bartee), E29/532 (Mistletoe Well), E29/533 (Victory Bore), E57/552 (Everett Creek), E57/555 (Wiero Bore), and E57/556 (Rocky Creek) for \$550,000 (inclusive of GST). The tenements will be paid for with \$250,000 in cash, the remaining balance settled via an issue of 1,500,000 shares for 20c each;
- e) The payment to Mark Gareth Creasy for grant of the right to earn a seventy per centum interest in mining tenements in Maynard Hills, exploration licence E57/551 of \$55,000 (incl. GST). Payment will be made with \$25,000 cash, the remaining balance being settled via an issue of 150,000 shares for 20c each;

APPENDIX 3 (continued)

Mindax Limited

Notes to the Statement of Financial Position and Statement of Financial Performance

2. ACTUAL AND PROPOSED TRANSACTIONS TO ARRIVE AT PROFORMA STATEMENT OF FINANCIAL POSITION (continued)

- f) The payment of the balance of \$77,000 to Anglo Australian Resources ("AAR") to purchase a 40% share in exploration licenses E29/117 and E29/279;
- g) The issue of 15,000,000 fully paid ordinary shares at an issue price of \$0.20 each to raise \$3,000,000 pursuant to this Prospectus;
- h) The costs of the capital raising of \$275,000 (incl. GST) in relation to the Prospectus and share issue which are to be offset against the capital raised;
- i) The payment of outstanding payables totalling \$34,076;
- j) The receipt of receivables to the value of \$109,545;
- k) The payment of statutory costs of \$33,000 which will be incurred on the above transactions;
- l) The transfer of prepaid IPO costs of \$34,905 to be offset against capital and prepaid exploration costs of \$500 to be capitalised as exploration expenditure; and
- m) Additional payments from 1 July 2004 to the date of listing, comprising exploration costs of \$55,000 and administration expenses of \$15,400.

	Audited 30 June 2004 \$	Proforma \$
3. CASH		
Cash at bank	235,316	3,161,371
Proforma adjustments		
• Balance as at 30 June 2004		235,316
• Receipt of balance of funds per rights issue and share placement program		580,985
• Shares issued pursuant to this Prospectus		3,000,000
• Receipt of receivables		109,545
• Payment to acquire Murchison mining tenement		(249,999)
• Creasy JV payment		(25,000)
• Balance of consideration to AAR		(77,000)
• Prospectus issue costs		(275,000)
• Payment of balance of payables		(34,076)
• Allow for statutory costs on purchase contracts		(33,000)
• Additional payments		(70,400)
		<u>3,161,371</u>
4. RECEIVABLES	<u>23,145</u>	<u>-</u>

APPENDIX 3 (continued)**Mindax Limited****Notes to the Statement of Financial Position and Statement of Financial Performance**

	Audited 30 June 2004 \$	Proforma \$
5. OTHER		
Advance for exploration expenditure	500	-
Prepayments – Prospectus share raising costs.	34,905	-
	<u>35,405</u>	<u>-</u>
6. EXPLORATION EXPENDITURE		
Exploration expenditure	<u>539,562</u>	<u>1,173,061</u>
<p>There may exist, on the company's mineral tenements, areas subject to claim under native title or containing sacred sites or sites of significance to Aboriginal people. As a result the mineral properties or areas within the tenements may be subject to exploration and mining restrictions.</p>		
7. PAYABLES		
Payables	<u>191,076</u>	<u>-</u>
8. OTHER		
Share proceeds to be allocated	<u>47,250</u>	<u>-</u>

APPENDIX 3 (continued)

Mindax Limited

Notes to the Statement of Financial Position and Statement of Financial Performance

	Audited 30 June 2004 \$	Proforma \$
9. CONTRIBUTED EQUITY		
Issued capital		
Paid ordinary shares	609,357	4,362,687
	<hr/>	<hr/>
Proforma adjustments	Number	\$
Audited 30 June 2004	22,100,001	609,357
Issue of shares per rights issue and share placement program	4,487,394	628,235
Issue of 200,000 shares to vendor – Everett Creek tenement option	200,000	40,000
Issue of 200,000 shares to vendor – Mt Alexander tenement option	200,000	40,000
Issue of 1,500,000 shares to vendor – Murchison properties tenement option	1,500,000	300,000
Issue of 150,000 shares to vendor – Creasy joint venture	150,000	30,000
Issue of 15M shares pursuant to Prospectus	15,000,000	3,000,000
Prospectus issue costs	-	(284,905)
	<hr/>	<hr/>
	43,637,395	4,362,687

It should be noted that MDX may accept oversubscriptions of 2,500,000 shares, with a 1 for 2 attaching option, to raise an additional \$500,000.

Options

No options have been issued as at the date of this report.

10. EXPLORATION COMMITMENTS

Under the terms of the option agreements referred to below, and to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by Statutory Authorities. These obligations are not provided for in the financial report and are payable:

Not later than one year	377,100
Later than one year but not later than 2 years	332,972
Later than 2 years but not later than 5 years	1,252,700
Later than 5 years	650,000

The expenditure commitments may be reduced by separate agreements and undertakings entered into by the company or they may increase if the company is successful with further exploration.

APPENDIX 3 (continued)

Mindax Limited

Notes to the Statement of Financial Position and Statement of Financial Performance

11. OTHER COMMITMENTS

On 27 February 2004, the Company exercised an option to acquire E57/552 for a consideration of \$66,000 (including GST) satisfied by cash payment of \$26,000 and a letter of undertaking to issue shares to the value of \$40,000. The grantor retains a royalty of 2% gold produced and a net royalty of 1.5% on returns from other minerals sold.

On 24 June 2004, the Company exercised an option to acquire E29/537 for a consideration of \$66,000 (including GST) satisfied by cash payment of \$26,000 and a letter of undertaking to issue shares to the value of \$40,000 upon listing. The grantor retains a royalty of 2% gold produced and a net royalty of 1.5% on returns from other minerals sold.

On 31 December 2003, the Company executed the "Sipa Option to Purchase Murchison Properties Agreement." The option to purchase predominantly relates to various tenements in the Murchison District of Western Australia with consideration of \$550,000 (including GST) to be satisfied by cash payment of \$250,000 and 1,500,000 fully paid ordinary shares in the Company on listing. The exercise date was extended to 30 September 2004 for nil consideration. The grantor retains a royalty of 2% on gold produced varied to reflect Sipa's original equity in the relevant tenement. The royalty will not apply until the Company has produced 150,000 ounces of gold from these tenements. By further agreement reached on 27 August 2004, should listing not occur by 31 March 2005, Sipa Resources Limited can elect to have the outstanding consideration of \$300,000 satisfied by the issue of 1,500,000 fully paid ordinary shares or cash payment.

On 5 January 2004, the Company executed a sale and joint venture agreement whereby it can secure a 70% interest in E57/551 by producing a bankable feasibility within a three year period from the date of listing on the Australian Stock Exchange. Consideration for the grant of the right to earn the interest is \$50,000 (plus any applicable GST) represented by cash payment of \$25,000 and the issue of 150,000 fully paid ordinary shares in the Company on listing. The agreement was conditional upon the Company being listed on the Australian Stock Exchange prior to 1 June 2004. As per the terms of the agreement the effective date of 1 June 2004 has been extended to 31 December 2004 by cash payment of \$77,000 (including GST) on 27 May 2004 with the funds to be exclusively utilised for exploration on the tenement.

On 27 May 2004 the Company entered into an agreement to purchase Anglo Australian Resources NL 40% interest in E39/117 and E29/279. The Company has agreed to purchase the interest for \$80,000 (plus any applicable GST) payable on the earlier of listing or by 30 September 2004. A \$10,000 non-refundable instalment was paid on 31 May 2004. Mindax Limited undertakes to meet the obligations of Anglo Australian Resources NL in respect to the joint venture with Sipa Resources International NL over the tenements and relevant statutory obligations.

12. SUBSEQUENT EVENTS

On 27 August 2004 the "Sipa Option to Purchase Murchison Properties" agreement referred to in Note 11 above was exercised by cash payment of \$250,000 and a letter of undertaking to issue shares to the value of \$300,000 on the basis of the Company listing on ASX prior to 31 March 2005.

There have been no other material items, transactions, or events subsequent to the date of this report which relate to conditions existing at that balance date which require comment or adjustment to the figures in this report.

APPENDIX 3 (continued)

Mindax Limited

Notes to the Statement of Financial Position and Statement of Financial Performance

13. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Australian Accounting Standards Board (AASB) is adopting the International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having a significant effect on the economic entity's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The Company has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the statements of financial performance and financial position as disclosed in this report would not be significantly different if determined in accordance with IFRS.

The key potential implications of the conversion to IFRS on the Company are as follows:

(a) Accounting for Extractive Industries

The impacts of changes from the existing AASB 1022 "Accounting for the Extractive Industries" are not yet determinable due to the lateness of the International Standard Board's (IASB) "grandfathering" project with an IFRS on the topic not expected until the fourth quarter of 2004.

Under the current proposal, issued by the IASB in their ED6, on the first time adoption of IFRS an impairment test will be required. Under that proposal the consolidated entity must be able to demonstrate future cashflows sufficient to satisfy the carry forward of non current assets. Where such cashflows are currently indeterminable the consolidated entity would be required to record a write down of capitalised expenditure.

(b) Income Tax

Income tax will be calculated on the "balance sheet" approach, which will result in more deferred tax assets and liabilities, as tax effects follow the underlying transaction, some tax effects will be recognised in equity.

(c) Equity-based compensation benefits

Equity-based compensation in the form of shares and options will be recognised as expenses in the periods during which the employee provides related services.

(d) Comparatives

Changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

The above should not be regarded as a complete list of changes of accounting policies that will result from the transition to IFRS, as not all standards have yet been analysed as yet and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to IFRS on the Company's financial position and reported results.

Section 10: Summary of Material Contracts

In the opinion of the Directors, the contract summarised below is material to the terms of the Offer, and the operations of the Company's business and, as such may be relevant to potential investors in the Company.

10.1 Service Agreement

By Service Agreement dated 5 October 2004, Mindax Limited agreed to appoint Gregory John Bromley as its Managing Director effective for a two year period commencing on the date upon which Mindax is admitted to the Official List of ASX.

Mr Bromley is to be paid \$150,000 in annual salary plus superannuation and will be reimbursed for all reasonable expenses incurred in carrying out the services of a managing director (as further specified in the agreement).

The agreement may be terminated by the Company, without notice where Mr Bromley is guilty of grave misconduct; becomes bankrupt or of unsound mind; is convicted of any criminal offence; becomes permanently incapacitated or dies.

Mr Bromley may also terminate the agreement with 6 months notice or without notice in certain circumstances including the Company entering into liquidation, the Company breaching the Agreement or where Mr Bromley is demoted. In either case the Company must pay Mr Bromley an agreed termination payment.

Section 11: Additional Information

11.1 Rights and Liabilities Attaching to Securities

11.1.1 Shares

There is only one class of share on issue in the Company being fully paid ordinary shares.

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, ASX Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders. To obtain such a statement, persons should seek independent legal advice.

All shares issued pursuant to this Prospectus will from the time they are issued, rank *pari passu* with all the Company's existing Shares.

11.1.1.1 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member present in person or by proxy, attorney or representative has one vote on a show of hands and one vote per Share on a poll. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant share bears to the total issue price of the share.

11.1.1.2 Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the holders of Shares equally, and among the holders of partly paid shares in proportion to the amounts paid (including credited as paid) of the total amounts paid or payable (including amounts credited) on the shares in respect of which the dividend is paid.

All Shares currently on issue and the Shares to be issued under this Prospectus are fully paid shares.

11.1.1.3 Future Issues

Subject to the Constitution of the Company, the Corporations Act and ASX Listing Rules, the Directors may allot, issue, grant options over, or otherwise deal with the unissued shares in the Company at the times and on the terms and conditions that the Directors think proper and a share may be issued with preferential, deferred or special rights, privileges or conditions or restrictions including, but not limited to, restrictions in regard to dividends, voting or return of capital as the Directors from time to time determine.

11.1.1.4 Transfer of Shares

A shareholder may transfer shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act including a transfer effected by the ASTC Settlement Rules and/or ACH Clearing Rules (previously referred to as the SCH Business Rules) for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of shares in the circumstances permitted or required under the Corporations Act and the ASX Listing Rules.

Subject to ASX Listing Rules and ASX Market Rules, while the Company is a listed company, the Board may suspend the registration of transfers at such times and for such periods, not exceeding 30 days in any year as they think fit.

11.1.1.5 Meetings and Notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or ASX Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act and the Constitution.

11.1.1.6 Winding Up

Subject to the Constitution and rights and restrictions attached to any class of shares (at present there are none), shareholders will be entitled, in a winding up, to any surplus assets of the Company in the proportion which the amount paid (including amounts credited) on the Shares of a Member bears to the total amount paid and payable (including amounts credited) on the Shares of all Members.

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the shareholders:

- divide among the shareholders the whole or any part of the property of the Company; and
- determine how the division is to be carried out as between the shareholders or different classes of shareholders.

Any such division may be otherwise than in accordance with the legal rights of the shareholders and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part. Where a division is otherwise than in accordance with the legal rights of the shareholders, a shareholder is entitled to dissent and to exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 of the Corporations Act.

If any property to be divided by the liquidator above includes securities with a liability to calls, any person entitled under the division of any of the securities may within 10 days after the passing of the special resolution, by notice in writing, direct the liquidator to sell that person's proportion and pay to that person the net proceeds, and if practicable, the liquidator shall do so.

11.1.1.7 Shareholder Liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

11.1.1.8 Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.1.1.9 ASX Listing Rules

If the Company is admitted to the Official List, then despite anything in the Constitution, if ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that ASX Listing Rules require to be done. If ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If ASX Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). A provision of the Constitution is deemed not to contain that provision to the extent of the inconsistency.

11.1.2 Options

Each Option entitles the holder to subscribe for a Share at an exercise price of \$0.20.

The Options are exercisable at any time prior to 5.00pm WST 18 months from the date the Company is admitted to the Official List ("Expiry Date") by notice in writing to the Directors accompanied by payment of the exercise price.

The Options are not transferable. Application will be made to ASX for Official Quotation.

Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 10 Business Days after receipt of a properly executed notice of exercise of the Option and payment of the requisite application moneys.

Shares issued upon exercise of the Options will rank equally in all respects with the Company's then existing ordinary fully paid shares.

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

In the event of any new or bonus issues, there are no rights to a change in exercise price, or a change in the number of underlying securities over which the Options can be exercised.

In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an option holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.

The Company will, at least 20 business days before the Expiry Date of the Options, send notices to the option holders stating the name of the option holder, the number of Options held and the number of securities to be issued on exercise of the Options, the exercise price, the due date for payment and the consequences of non-payment.

11.2 Corporate Governance

The Board currently comprises 3 Directors, 2 of whom are non-executive Directors. Gregory John Bromley has been appointed as the Managing Director of the Company. Under the Constitution, the maximum number of Directors is ten and the minimum number is three. At each Annual General Meeting, one third of the Directors, excluding the Managing Director, must retire with those Directors who have served longest being subject to rotation first. The retiring director is eligible for re-election.


The Board is responsible for the overall corporate governance of the Company including its strategic direction and goals, the management framework of the Company including a system of internal control, business risk management and the establishment of appropriate ethical standards.

The Board is committed to operating to industry best practice standards in all aspects of the Company's business and is responsible for the overall internal control of the Company. The internal control process derives from direct involvement in management and operations by the Managing Director with close consultation and review between all the Directors and external consultants.

Corporate governance policies and practice of Mindax Limited are reflective of the Company's current status.

Individual directors are assigned areas of responsibility based upon their particular expertise. Professional firms are contracted to perform specific functions such as accounting, secretarial, management services and to provide advice as requested. The directors are in regular communication and the Board formally decides on matters of significant importance to the Company.

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all directors is continuously monitored.



The Board acknowledges that it is responsible for overall internal control but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility the Board instigates the following:

Financial reporting – there is a budgeting system with an annual budget approved by the directors. Actual results are regularly compared to budget and revised forecasts adopted as required.

Investment appraisal – the Company undertakes careful due diligence when considering any major investment or new venture.

Corporate governance policies and practice will be reviewed regularly as the Company's operations expand.

The external auditors were appointed on 9 December 2003.

11.2.1 Audit and Remuneration Committees

At the date of this report, Mindax Limited has established audit and remuneration committees comprising the two non-executive directors of the Company. Each committee will commence its function upon listing of the Company on the ASX.

11.2.2 Role of Shareholders

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- reports distributed to all shareholders;
- notices of all meetings of shareholders.
- posting new information and notices on the Company website

The Board encourages full participation of shareholders at the General Meetings to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment of directors, the granting of options and shares to directors and changes to the Constitution. Copies of the Constitution are available to any shareholder that requests it.

11.3 Policies

The following policies have been adopted by the Board to assist with the internal procedures of the Company.

11.3.1 Continuous Disclosure

The Company has adopted a continuous disclosure policy so as to comply with its continuous disclosure obligations once listed on ASX. The aims of this policy are to:

- assess new information and co-ordinate any disclosure or releases to ASX, or any advice required in relation to that information, in a timely manner;
- provide an audit trail of the decisions regarding disclosure to substantiate compliance with the Company's continuous disclosure obligations;
- report to the Board on continuous disclosure matters; and
- ensure that employees, consultants, associated entities and advisers of the Company understand the obligations to bring material information to the attention of the Managing Director.

11.3.2 Trading in Securities

The Company has adopted a policy that imposes certain restrictions on Directors and employees trading in the securities of the Company. The restrictions have been imposed to prevent trading in contravention of the insider trading provisions of the Corporations Act.

The key aspects of the policy are:

- all Directors and employees are to formally notify the Company Secretary of their beneficial shareholdings in the Company and any changes to this within five business days of such change occurring. The Company Secretary will maintain a register of interests in the Company held by Directors and employees;
- no Director or employee or any entities controlled by them is allowed to trade in the securities of the Company without notifying the Managing Director;
- no Director or employee or any entities controlled by them is allowed to engage in the business of active dealing in the Company's securities; and
- a Director, employee or any entities controlled by them must not trade at any time when he or she is in possession of information which if generally available would materially affect the price or value of the Company's securities or at any time for a period of 2 days following a public announcement in relation to the matter.

11.4 Director & Officer Protection Deeds

The Company proposes to enter into Director & Officer Protection Deeds ("Deed") with each Director and the Company Secretary ("officers"). Under the Deed, the Company indemnifies the officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the Deed.

11.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus:-

- no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:
 - ◊ the formation or promotion of the Company; or
 - ◊ any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company, or the Offer; or
 - ◊ the Offer; and
- no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:
 - ◊ to a Director or proposed Director to induce him to become, or to qualify as, a Director; or
 - ◊ for services provided by a Director or proposed Director or professional or promoter of the Company or stockbroker in connection with the formation or promotion of the Company or the Offer.

Bromley & Co, of which Mr Gregory John Bromley is principal, has provided geological consulting and advisory services to the Company with regard to the review and acquisition of the Company's tenement packages and other services as part of the Initial Public Offering and company management process. Bromley & Co has been paid fees totalling \$101,948 (including GST) satisfied by the issue of 5,000,000 fully paid ordinary shares in the Company and \$51,948 in cash. On 5 October 2004 Mr Gregory John Bromley entered into a Service Agreement with the Company, details of which are set out in Section 10 of this Prospectus.

Portcullis Corporate Advisory Pty Ltd ("Portcullis"), of which Mr Nicholas James Smith is a director and shareholder, has provided business advisory services to the Company with regard to the review and acquisition of the Company's tenement packages and other services as part of the Initial Public Offering process. Portcullis has been paid fees totalling \$22,000 (including GST) satisfied by the issue of 2,000,000 fully paid ordinary shares in the Company and \$2,000 in cash.

Gilbert George and Associates Pty Ltd ("GGA"), of which Mr Gilbert Charles George is a director and shareholder, has provided business advisory services to the Company with regard to the review and acquisition of the Company's tenement packages and other services as part of the Initial Public Offering process. GGA has been paid fees totalling \$6,875 (including GST) satisfied by the issue of 625,000 fully paid ordinary shares in the Company and \$625 in cash. The shares were subsequently transferred to Mr George personally. GGA will be paid fees totalling \$20,000 (plus any applicable GST) for additional business advisory services provided to the Company, such fees payable upon listing.

eks SOLUTIONS ("eks"), an accounting practice in which Mr Angelo Francesca (a director of Mindax Limited from 30 October 2003 to 9 March 2004) is a director, provided corporate, taxation and other accounting services to the Company as part of the Initial Public Offering and company management process. eks has been paid fees to 9 March 2004 totalling \$5,500 (including GST) satisfied by the issue of 250,000 fully paid ordinary shares in the Company and \$3,000 in cash. eks will provide ongoing corporate, accounting and taxation services to the Company and will be paid fees for rendering these services.

11.6 Holdings of Directors

As at the date of this Prospectus the Directors have relevant interests in Shares and Options as set out in the table below:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Gregory John Bromley ²	1	5,000,000 ¹	-	-
Gilbert Charles George	781,250	-	-	-
Nicholas James Smith	-	2,000,000 ³	-	-
Angelo Francesca (resigned 9 March 2004)	-	1,012,500 ⁴	-	-
Total	781,251	8,012,500	-	-

The Directors may subscribe for Shares under this Prospectus.

Notes

¹ These shares are held by Gregory John Bromley and Caroline Muriel Bromley as trustee for the Bromley Family Trust.

² Mr Bromley is a director and shareholder of Plateau Resources Limited ("Plateau"). Mr Bromley indirectly holds 16% of the issued capital of Plateau. Plateau directly holds 4,000,000 shares in the Company of which 2,500,000 were acquired in consideration for transferring E29/534.

³ All of these shares are held by Portcullis Corporate Advisory Pty Ltd of which Mr Nicholas James Smith is a director and shareholder.

⁴ Of these shares 562,500 are held by Andtax Pty Ltd as trustee for the Brosme Unit Trust; 200,000 are held by Commercial Property Enterprises Pty Ltd as trustee for the Commercial Property Trust and the balance of 250,000 are held by Filiorum Nominees Pty Ltd as trustee for the A Francesca Investments Trust. Mr Angelo Francesca is able to benefit as a beneficiary under the terms of each of these trusts.

11.7 Remuneration of Directors

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting of shareholders. The aggregate remuneration has been set at an amount of \$150,000 per annum. In addition non-executive Directors may also be remunerated for additional specialised services performed at the request of the Board.

It is the intention of the Board of Directors that the remuneration of non-executive Directors for the period of twelve months after listing (exclusive of any remuneration for additional specialised services performed at the request of the Board) shall be not more than \$45,000 plus statutory superannuation.

Directors fees are currently accruing at the rate of \$22,500 for each six month period commencing from 1 July 2004 and will be payable by 31 December 2004 or the date of listing, whichever is earlier. Non-executive Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors.

The remuneration of executive Directors will be fixed by the Board of Directors and may be paid by way of fixed salary. Gregory Bromley has entered into a service agreement with the Company, details of which, including his remuneration package are summarised in Section 10 of this Prospectus.

11.7.1 Employee and Consultants Option Scheme

The Employee and Consultants Option Scheme ("EOS") was approved by shareholders at a general meeting of the Company held on 21 January 2004.

The purpose of the EOS is to provide a means by which employees (including directors of the Company) and consultants, upon whom the responsibilities for the successful growth of the Company rest, can share in such growth and recognise the ability and efforts of those who have contributed to the success of the Company. There will be no issue price for Options issued under the EOS.

Each Option issued under the Scheme is exercisable into one share at an exercise price which is the greater of:

- (a) 120% of the market value of the shares on the day the option is issued;
- (b) 25 cents; and
- (c) such greater amount as is determined by the Board (which will not be less than the minimum exercise price permitted by the Listing Rules)

The other material terms of the Options are as follows:

1. Application will not be made to ASX for Official Quotation of the Options.
2. Except as set out below Options shall expire on the third anniversary of the date of their issue:
 - (a) if the holder ceases to be an employee or consultant:
 - (i) two years or more after the Options are issued; or
 - (ii) because of retirement, total and permanent disablement, redundancy, death or any other circumstances approved by the Board,the Options may be exercised within 30 days (or 3 months, in the case of death) after ceasing to be an employee or a consultant or any longer period permitted by the Board. If not exercised within that period, the Options lapse.
 - (b) if the Board determines that:
 - (i) a holder has acted fraudulently, dishonestly or in breach of the holder's obligations to the Company; and
 - (ii) the Options held by the holder are to be forfeited,the Options will immediately lapse.
3. Options are exercisable by lodging a notice in writing with the Company and attaching a cheque for the total exercise price of all the Options being exercised.
4. Options must be exercised in multiples of 100 unless the option holder exercises all Options able to be exercised at that time.
5. Shares allotted pursuant to an exercise of Options will be of the same class and will rank, from the date of allotment, equally with existing Shares in all respects.
6. In the event of any reorganisation of the issued capital, the number of Options, or the Exercise Price, or both will be reorganised (as appropriate) in accordance with the Listing Rules.

7. An option holder shall not be entitled to dividends in respect of unexercised Options.
8. Subject to the Listing Rules, Options are not transferable except with prior written approval of the Board.
A copy of the complete rules of the EOS is available upon request by contacting the Company Secretary.
At the date of this Prospectus, no Options have been issued under the EOS.

11.8 Interests of Experts and Advisors

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
- the Offer under this Prospectus.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

- Pullinger Readhead Lucas have acted as solicitors to the Offer and in that capacity have prepared the Solicitor's Report included in this Prospectus and have been involved in undertaking due diligence enquiries for the preparation of the Prospectus and providing legal advice to the Company in relation to the Offer. In respect of this work, the Company will pay approximately \$20,000 excluding GST of which approximately \$11,500 has already been paid.
- Continental Resource Management Pty Ltd has prepared the Independent Consulting Geologist's Report included in this Prospectus. In respect of this work, the Company has agreed to pay \$15,000 excluding GST of which approximately \$12,800 has already been paid.
- Horwath Securities (WA) Pty Ltd has acted as the independent accountant to the Offer and in that capacity has prepared the Independent Accountant's Report included in this Prospectus. In respect of this work, the Company will pay \$5,000 excluding GST of which \$1,300 has already been paid. Horwath Perth has also agreed to act as auditors to the Company and will be paid additional fees for rendering these and other accounting services.

11.9 Consents

Each of the Parties referred to in this Section:

- does not make, or purport to make, any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section.

Further:

- Pullinger Readhead Lucas have given their written consent to being named as solicitors to the Company to the inclusion of the Solicitor's Report in Section 8 of this Prospectus in the form and context in which the report is included and all statements referring to that report in the form and context in which they appear. Pullinger

Readhead Lucas have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

- Continental Resource Management Pty Ltd has given its written consent to being named as the Independent Consulting Geologist to the Company and to the inclusion of the Independent Consulting Geologist's Report in Section 7 of this Prospectus in the form and context in which the report is included and all statements referring to that report in the form and context in which they appear. Continental Resource Management Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
- Horwath Perth has given its written consent to be named as Auditor to the Company and Horwath Securities (WA) Pty Ltd has given its written consent to the inclusion of the Independent Accountant's Report in Section 9 of this Prospectus in the form and context in which the report is included and all statements referring to that report in the form and context in which they appear. Horwath Perth and Horwath Securities (WA) Pty Ltd have not withdrawn their consent prior to the lodgement of this Prospectus with ASIC.
- Advanced Share Registry Services has given its written consent to being named as the share registry for the Company and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
- Mark Creasy has given his written consent to the use of data provided by him in this document and to the use of the data in the form and context in which it appears and has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.
- Sipa Resources Limited have given their written consent to the use of data provided by them in this document and to the use of the data in the form and context in which it appears and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

11.10 Litigation

Litigation searches confirm that there is no litigation against the Company or instituted by the Company. To the knowledge of the Directors there is no litigation threatened against the Company and no litigation threatened by the Company. The Directors are not aware of any circumstances likely to give rise to any of the above.

11.11 Expenses of the Offer

The expenses connected with the Offer including fees payable to licenced securities dealers, fees of the Investigating Accountant, Solicitors and Geologist, printing, listing fees, postage and advertising and other miscellaneous expenses will be approximately \$250,000 (excluding GST) and are payable by the Company.

Expenses of the Offer assuming a minimum subscription of \$3,000,000 are estimated as follows:

ASX Quotation	\$ 30,000
ASIC Fees	\$ 2,000
Independent Accountant	\$ 3,700
Independent Solicitor	\$ 8,500
Independent Geologist	\$ 2,200
Share Registry	\$ 2,000
Printing and Marketing	\$ 16,500
Brokers	\$180,000
Contingencies	\$ 5,100
Total	\$250,000

11.12 Taxation Considerations

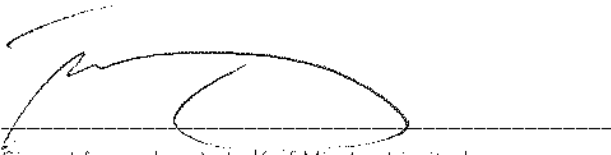
The Directors expect that the Company will be taxed in Australia as a public company.

Investors who have any queries about the taxation consideration of share ownership should consult a suitably qualified adviser.

Directors' Statement

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated 2004

A handwritten signature in black ink, appearing to be 'Gregory John Bromley', is written over a horizontal dashed line.

Signed for and on behalf of Mindax Limited

By Gregory John Bromley, Managing Director v

Glossary

\$	Australian dollars
Applicant	a person who submits an Application Form under this Prospectus
Application Form	the application form accompanying this Prospectus
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange Limited
ASX Listing Rules	rules that govern the admission of entities to the Official List
ASX Market Rules	The ASTC Settlement Rules and/or ACH Listing Rules and any other rules of ASX Settlement and Transfer Corporation Pty Limited and Australian Clearing House Pty Limited which apply while the Company is an issuer of CHESSE Approved Securities
ACH Clearing Rules	operating rules of Australian Clearing House Pty Limited
ASTC Settlement Rules	operating rules of ASX Settlement and Transfer Corporation Pty Limited
Business Day	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
CHESSE	Clearing House Electronic Sub-register System
Company Projects	tenements owned by the Company in Company
Company	Mindax Limited
Closing Date	the last date when the Application Forms for the Offer may be submitted
Constitution	the constitution of the Company
Corporations Act	Corporations Act 2001
Creasy	Mark Gareth Creasy
Directors	Directors of the Company
Esmeralda	Esmeralda Exploration Limited
Exploration Licences	granted exploration licences
Exposure Period	the period of 7 days from the date of lodgement of this Prospectus, or as extended by ASIC (but not more than 7 days pursuant to section 727(3) of the Corporations Act)
km	kilometre
km²	squared kilometre
Norgold	Norgold Ltd
Official List	the official list of ASX
Offer	the invitation to apply for Shares and attaching Options under this Prospectus
Opening Date	the first date when the Application Forms can be received
Option	an option to subscribe for a Share subject to the terms and conditions set out in Section 11 of this Prospectus
Prospectus	this prospectus issued by the Company
Share	a fully paid ordinary share in the capital of the Company
Sipa	Sipa Exploration NL
tenement	a mining tenement under the West Australian Mining Act (1978)
Troy	Troy Resources NL
Western Areas	Western Areas NL
WMC	WMC Resources Ltd
WST	Western Australian Standard Time

Mindax Limited Application Form

Please read all instructions on reverse of this form

A Number of Shares applied for (minimum 10,000 Shares with 5,000 attaching Options then multiples of 1,000 Shares with 500 attaching Options)

	at 20 cents per Share	A\$
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You may be allocated all of the Shares and attaching Options above or a lesser number

B Total amount Payable by cheque(s) for Shares

A\$

C Full name details title, given name(s) [no initials] and surname or Company name

Name of applicant 1

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Name of joint applicant 2 or <account name>

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

E Full postal address

Number/street

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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Suburb/town

State/postcode

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

G CHESS HIN (if applicable)

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H Cheque payment details please fill out your cheque details and make your cheque payable to "Mindax Limited Subscription Account"

Drawer	Cheque number	BSB number	Account number	Total amount of cheque
				\$

I You should read the Prospectus dated 12 October 2004 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Mindax Limited; and

(b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares

Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares and attaching Options in the Company.

Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

A signature is not required

Share Registrars use only	
Broker reference – stamp only	
Broker code	Adviser Code

D Tax file number(s)
Or exemption category

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Joint applicant 2/ Trust

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F Contact details

Contact Name

--

Contact daytime telephone number

()

Contact e-mail address

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Guide to the Public Application Form

This Application Form relates to the offer of Shares and attaching Options in Mindax Limited pursuant to the Prospectus dated 12 October 2004. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Mindax Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, Mindax Limited will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares with 5,000 attaching Options and thereafter in multiples of 1,000 Shares with 500 attaching Options
- B Insert the relevant amount of Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by 20 cents.
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is compulsory and will not affect your Application.
- E Please enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, e-mail address and contact name in case we need to contact you in relation to your Application.

G Mindax Limited will apply to the ASX to participate in CHES, operated by the ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted.

If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

H Please complete cheque details as requested:

Make your cheque payable to "Mindax Limited Subscription Account" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank.

The amount should agree with the amount shown in section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

- I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares and attaching Options in Mindax Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares and attaching Options equal to or less than the number of Shares and attaching Options indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications

Return your completed Application Form with cheque(s) attached to:

Mindax Limited	Level 7, 200 St Georges
Advanced Share Registry	Terrace
Services	OR East Perth 6000
PO Box 6283 East Perth	Western Australia
Western Australia 6892	

Application Forms must be received no later than 17 November 2004 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares and Options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Mindax Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

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