



ASX ANNOUNCEMENT

21 July 2014

ASX Code: MDX

ABN: 28 106 866 442

Corporate Description

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

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

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

Through technically advanced exploration and an eye for detail, Mindax has successfully built a significant portfolio of 34 mineral exploration and mining tenements covering over 2,100 square kilometres. In addition, Mindax has applications in place for water and infrastructure covering over 2,400 square kilometres in support of the Mt Forrest Iron Project development.

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

Key Projects

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

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SHAREHOLDERS AND DEVELOPMENT AGREEMENT CONCLUDED

Mindax Limited (**the Company**) refers to its announcement of 15 October 2013 and subsequent announcements of 29 January 2014, 6 May 2014 and 29 May 2014.

The Company is pleased to announce that the Company and Perpetual Mining Holding Limited (PMHL) have agreed to modify the terms and conditions of the Shareholders and Development Agreement (**SDA**) as follows:

- remove the requirement for a 4:1 bonus issue of shares;
- vary the issue price of the 25M ordinary shares to be issued to PMHL (or its nominees) to 8 cents per share and include a 25M free attaching option (exercisable at 12 cents), in line with the issue price of the Company's recent placement; and
- amend dates associated with key milestones.

For ease of reference terms and conditions, repeated from previous announcements, are outlined on the following pages.

This is the announcement intended to lift the halt in trading of the Company's securities.

Mindax Limited (**MDX or the Company**) refers to its announcement released to the market on 15 October 2013 (and related announcements on 29 January 2014, 6 May 2014 and 29 May 2014) regarding the proposal for its wholly owned subsidiary, Yilgiron Pty Ltd (**YPL**) to form a strategic partnership with Perpetual Mining Holding Limited (**PMHL**) of Hong Kong for the Mount Forrest Iron Project.

MDX is pleased to confirm that the binding Shareholders and Development Agreement Relating to YPL (**Agreement**) has now been concluded with PMHL.

A summary of the principal terms of the Agreement are as follows:

- PMHL will acquire 51% of current MDX subsidiary YPL for a total consideration of \$52.3M. As referred to above, part of the subscription price \$8,297,000 will be paid on subscription and the balance will be paid in connection with completion of the feasibility study and the construction of the mine. MDX will convert its current intercompany loan of approximately \$17m to YPL into equity in YPL and MDX will hold 49% of the increased share capital. YPL will be the vehicle which owns the Mt Forrest Iron Project and associated infrastructure tenements.
- The feasibility study must be completed by 30 June 2015 or such later date as MDX and PMHL agree and if it is not a call may be made for the balance of the subscription price to be paid. If Force Majeure delays the completion of the feasibility study, there may be an extension of time up to 30 June 2016. At that point MDX and PMHL will discuss the implementation of the project and if another course of action has not been agreed within 60 days a call may be made for the balance of the outstanding subscription price.
- The balance of the subscription price must be paid by 30 September 2016, or such later date as MDX and PMHL agree (subject as mentioned below). The time for payment may be extended by Force Majeure up to 30 September 2017. At that point MDX and PMHL will discuss the implementation of the project and if another course of action has not been agreed within 60 days a call may be made for the balance of the outstanding subscription price.
- A call may only be made for the balance of the subscription price if the Company has been allocated legally binding port capacity and access to ship iron ore. If port access has not been granted by 31 December 2016 MDX and PMHL will discuss the implementation of the project and if another course of action has not been agreed within 92 days a call may be made for the balance of the outstanding subscription price.
- If a call is made for the outstanding subscription price and payment is not made, the shares issued to PMHL which have not been fully paid may ultimately be forfeited.
- Yilgiron Infrastructure Pty Ltd (**YIPL**) will become a subsidiary of YPL giving YPL full use of all infrastructure tenements and rights owned by YIPL.

- YPL will be a standalone Joint Venture (**JV**) entity between MDX and PMHL. It will be controlled by PMHL from the outset of the JV. YPL will have four Board members, two each from PMHL and MDX. A number of key YPL business decisions will require unanimous YPL Board or shareholder approval to protect the interests of both shareholders.
- YPL owns all rights to the Mt Forrest Iron Project tenements and will be responsible for development and operation of DSO and Magnetite projects. Initial focus will be to fast track the DSO project towards production.
- The Subscription will take place within 30 Business Days from the date on which the conditions precedent are satisfied. From the initial subscription payment of \$8.29M, YPL will reimburse MDX approximately \$2.7M for work undertaken on the Optimised Scoping Study in the period November 2012 to August 2013. YPL will also pay MDX approximately \$600K for work undertaken on the Mt Forrest Iron Project from September 2013 until the execution date of the Agreement.
- After PMHL has made all payments in respect of subscription for its shares, MDX and PMHL each has the right to contribute additional funds to YPL as required for future YPL activities in proportion to their prevailing shareholdings once the initial funding of \$52.3m has been provided by PMHL.
- Dividends will be paid as follows to take account of production of DSO:
 - 1st 2 Mt produced-PMHL 75% and MDX 25%
 - 2nd 2Mt produced-PMHL 65% and MDX 35%
 - 3rd 2Mt produced-PMHL 25% and MDX 75%
 - 4th 2 Mt produced-PMHL 35% and MDX 65%.
 Thereafter dividends will be distributed according to shareholdings.
- MDX will issue 25M ordinary MDX shares to PMHL and investors to be introduced by it for 8 cents per new ordinary share which will raise gross proceeds of \$2.0M. MDX will also issue to PMHL and investors to be introduced by it 25M unlisted options exercisable at 12 cents per option with an expiry date of 30 June 2016.
- These funds together with other monies received from PMHL noted above will provide a significant cash balance to support other MDX activities outside of Mt Forrest for some considerable time).
- The issue of 25M new ordinary MDX shares and 25M unlisted options are preconditions to the Mt Forrest Iron project Joint venture proceeding.
- The Agreement is subject to a number of other conditions precedent including successfully receiving all regulatory and shareholder approvals.) Approval under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) will also be required. The conditions precedent must be met by 30 September 2014 or such later date as MDX and PMHL agree, failing which either party may terminate the agreement.

- MDX intends to arrange an Extraordinary General meeting of Shareholders in due course to enable shareholders to consider and vote on the Agreement. An Independent Expert's Report will be provided to shareholders with the notice of the meeting.

Mindax Chairman Mr Benjamin Chow commented "We are delighted with the outcome. PMHL and Mindax have worked together very closely over the past few months to finalise this agreement. The agreement secures the way forward for the Mt Forrest Project, provides funding for our other activities, rewards our existing shareholders and creates potential to improve our share trading liquidity.

About PMHL

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

End of Announcement

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