
MINDAX LIMITED

ACN 106 866 442

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:30 am (WST)

DATE: 31 October 2014

PLACE: Hyatt Regency Perth
99 Adelaide Terrace
Perth WA 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9485 2600.

CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	6
Glossary	21
Schedule 1 – Terms and Conditions of Subscriber Options	23
Schedule 2 – Terms and Conditions of Options	25
Schedule 3 – Terms and Conditions of Convertible Note	27
Proxy Form	enclosed

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:30 am (WST) on 31 October 2014 at:

Hyatt Regency Perth
99 Adelaide Terrace
Perth WA 6000

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00 pm (WST) on 29 October 2014.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance

with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014."

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

Voting Prohibition Statement:

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

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

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

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR KGAI MUN (ERIC) LOH

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

"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Kgai Mun (Eric) Loh, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by renewing clause 35 for a period of 3 years from the date of approval of this Resolution."

5. RESOLUTION 4 – APPROVAL TO ISSUE SHARES AND OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 25,000,000 Shares and 25,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY – MS LAI YOU

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,311,875 Shares and 1,311,875 Options to Ms Lai You (or her nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Ms Lai You (and her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – ISSUE OF SHARES AND OPTIONS ON CONVERSION OF CONVERTIBLE NOTE

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,750,000 Shares and 3,750,000 Options to Ms Lai You (or her nominee) upon conversion of a Convertible Note on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Ms Lai You (and her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – ISSUE OF SHARES AND OPTIONS ON CONVERSION OF LOAN

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,125,000 Shares and 3,125,000 Options to Ms Lai You (or her nominee) upon conversion of a loan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Ms Lai You (and her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – ISSUE OF SHARES AND OPTIONS ON CONVERSION OF LOAN

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,125,000 Shares at an issue price of \$0.08 per Share and 3,125,000 free attaching Options to Ms Lai You (or her nominee) upon conversion of a loan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Ms Lai You (and her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 1 October 2014

By order of the Board

**DENNIS WILKINS
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

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

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

2.2 Voting consequences

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

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

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

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

2.3 Previous voting results

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

2.4 Proxy voting restrictions

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

Proxy	Directed	Undirected
Key Management Personnel ¹	Voted	Not voted ³
Chair ²	Voted	Voted at discretion of Proxy ⁴
Other	Voted	Voted at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR KGAI MUN (ERIC) LOH

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;

- (c) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (d) in determining the number of Directors to retire, no account is to be taken of:
 - (i) a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/ or
 - (ii) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

The Company currently has four (4) Directors and accordingly one (1) must retire.

Mr Kgai Mun (Eric) Loh, being the Director longest in office since his last election, retires by rotation and seeks re-election.

Information on the skills and experience of Mr Kgai Mun (Eric) Loh is set out in the annual financial report of the Company for the financial year ended 30 June 2014.

The Board has considered Mr Kgai Mun (Eric) Loh's independence and considers that he is not an independent Director.

The Directors, other than Mr Kgai Mun (Eric) Loh, support the re-election of Mr Kgai Mun (Eric) Loh and recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

4.1 General

Section 648G(1) of the Corporations Act provides that a company's proportional takeover approval provisions, unless sooner omitted from its constitution, cease to apply at the end of 3 years from adoption or renewal as appropriate unless otherwise specified.

When the provisions cease to apply the company's constitution is modified by omitting the provisions.

A company may renew its proportional takeover approval provisions in the same manner in which a company can modify its constitution (i.e. by special resolution of shareholders)

The Company's constitution (including the proportional takeover provisions set out in clause 35) was adopted on 18 November 2010. Accordingly, the proportional takeover provisions included in the Constitution ceased to apply on 18 November 2013.

Resolution 3 is a special resolution which will enable the Company to modify its Constitution by renewing clause 35 for a period of 3 years from the date of

Shareholder approval. It is noted that Shareholder approval will not result in a change to the wording of clause 35.

The Company is permitted to seek further Shareholder approval to renew this clause for further periods of up to 3 years on each occasion.

A copy of the Constitution was released to ASX on 18 November 2010 and is available for download from the Company's ASX announcements platform.

4.2 Proportional takeover provisions (clause 35 of Constitution)

(a) General

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

The proportional takeover provisions set out in clause 35 of the Constitution provides that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause will cease to have effect on the third anniversary of the date of the adoption of the last renewal of the clause.

(b) Information required by section 648G of the Corporations Act

(i) Effect of proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed or the deadline for obtaining such approval has passed.

(ii) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(iii) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(iv) **Advantages and disadvantages of proportional takeover provisions during the period in which they have been in effect**

The Directors consider that the proportional takeover provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the proportional takeover provisions for Shareholders include those set out immediately below, which were applicable during the period in which they have been in effect.

(v) **Potential advantages and disadvantages of proportional takeover provisions**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (A) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (B) assisting in preventing Shareholders from being locked in as a minority;
- (C) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (D) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (A) proportional takeover bids may be discouraged;
- (B) lost opportunity to sell a portion of their Shares at a premium; and
- (C) the likelihood of a proportional takeover bid succeeding may be reduced.

(c) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that renewal of the proportional takeover provision set out in clause 35 of the Constitution is in the interest of

Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL TO ISSUE SHARES AND OPTIONS

5.1 General

As announced on 15 October 2013 and 21 July 2014, the Company and its wholly-owned subsidiary Yilgiron Pty Ltd (**Yilgiron**) have entered into a Shareholders and Development Agreement with Perpetual Mining Holding Limited (a company incorporated in Hong Kong) (**PMHL**) pursuant to which the Company has agreed to issue, and PMHL has agreed to subscribe for, shares equivalent to 51% of the issued share capital of Yilgiron (**Agreement**).

The Agreement is conditional upon, amongst other things, PMHL procuring the subscription by persons who are to meet the requirements in section 708(8) of the Corporations Act (**Sophisticated Investors**), who meet the requirements in section 708(11) of the Corporations Act (**Professional Investors**) or otherwise to persons who fall within exemptions within section 708 of the Corporations Act or to whom Chapter 6D does not apply because of section 700(4) of the Corporations Act (**Exempt Investors**) for 25,000,000 new Shares at an issue price of \$0.08 per Share (**Subscription Shares**), one option to acquire a Share to be issued free to the subscriber in respect of each Share subscribed for (**Subscription Options**), and cleared funds being received by Mindax in respect of the subscription price (**Investor Subscription**). The Subscription Options will be exercisable at \$0.12 each on or before 30 June 2016.

Resolution 4 seeks Shareholder approval for the issue of up to 25,000,000 Subscription Shares at an issue price of \$0.08 per Subscription Share, together with one (1) free attaching Option for every one (1) Subscription Share subscribed for, to raise up to \$2,000,000 pursuant to the Investor Subscription.

5.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Company to issue the Subscription Shares and Subscription Options pursuant to the Investor Subscription during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Shares to be issued is 25,000,000 and the maximum number of Options to be issued is 25,000,000;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;

- (c) the issue price will be \$0.08 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1:1 basis;
- (d) the Shares and Options will be issued to Sophisticated Investors, Professional Investors or Exempt Investors who are not, as yet, identifiable but the subscribers will be identified by the Company and PMHL. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) the Company intends to use the funds raised from the Investor Subscription towards exploration on the Company's existing projects and for general working capital purposes.

6. RESOLUTION 5 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY – MS LAI YOU

6.1 General

Mr Andrew Tsang, a Director of the Company, has arranged the following capital raisings for the Company which took place between August 2012 and March 2014:

- (a) as announced to the ASX on 6 September 2012, the Company undertook a placement to a number of sophisticated and professional investors to raise \$680,000. Mr Tsang introduced two investors who participated in the placement for \$300,000 (**First September 2012 Capital Raising**);
- (b) as announced to the ASX on 27 September 2012, the issue of a convertible note to Ms Lai You in the amount of \$399,000 (**Second September 2012 Capital Raising**);
- (c) as announced to the ASX on 22 August 2013, the issue of a convertible note to Ms Lai You in the amount of \$600,000 (**August 2013 Capital Raising**);
- (d) as announced to the ASX on 31 December 2013, the issue of a convertible note to Ms Lai You in the amount of \$300,000 (**December 2013 Capital Raising**);
- (e) as announced to the ASX on 7 February 2014, a short term convertible loan from Ms Lai You in the amount of \$250,000 (**February 2014 Capital Raising**); and
- (f) as announced to the ASX on 18 March 2014, a short term convertible loan from Ms Lai You in the amount of \$250,000 (**March 2014 Capital Raising**),

(together the **Capital Raisings**).

In respect of each Capital Raising, the Company agreed to pay Mr Tsang a commission of 5% of the money raised under the Capital Raising which was

arranged by Mr Tsang. The total commission payable to Mr Tsang in consideration for arranging the Capital Raisings is \$104,950, comprising:

- (a) \$15,000 in respect of the First September 2012 Capital Raising;
- (b) \$19,950 in respect of the Second September 2012 Capital Raising;
- (c) \$30,000 in respect of the August 2013 Capital Raising;
- (d) \$15,000 in respect of the December 2013 Capital Raising;
- (e) \$12,500 in respect of the February 2014 Capital Raising; and
- (f) \$12,500 in respect of the March 2014 Capital Raising.

In lieu of a cash payment of \$104,950 to Mr Tsang in consideration for arranging the Capital Raisings, the Company has agreed to issue 1,311,875 Shares at a deemed issue price of \$0.08 per Share, together with one (1) free attaching Option for every one (1) Share issued, to Mr Tsang's nominee, Ms Lai You.

Pursuant to Resolution 5 the Company is seeking Shareholder approval for the issue of up to 1,311,875 Shares and 1,311,875 Options to Ms Lai You (or her nominee) in satisfaction of the commission payable to Mr Tsang for arranging the Capital Raisings.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares and Options constitutes giving a financial benefit and Ms Lai You is a related party of the Company by virtue of being Mr Andrew Tsang's (a Director) mother.

The Directors (other than Mr Andrew Tsang who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares and Options to Ms Lai You (or her nominee) as they consider the terms of the issue of securities in lieu of the commission payable to Mr Tsang and was negotiated at arm's length.

6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

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

6.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution5:

- (a) the Shares and Options will be issued to Ms Lai You (or her nominee);
- (b) the maximum number of securities to be issued is:
 - (i) 1,311,875 Shares; and
 - (ii) 1,311,875 Options;
- (c) the Shares and Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (d) the Shares and Options will be issued for nil cash consideration as they are being issued in satisfaction of the commission payable to Mr Andrew Tsang for arranging the Capital Raisings;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (g) no funds will be raised from this issue as the Shares and Options are being issued in satisfaction of the commission payable to Mr Andrew Tsang for arranging the Capital Raisings.

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

7. RESOLUTION 6 – ISSUE OF SHARES AND OPTIONS ON CONVERSION OF CONVERTIBLE NOTE

7.1 General

On 31 December 2013, the Company announced that it had issued a convertible note to Ms Lai You (or her nominee) on the terms and conditions set out in Schedule 3 (**Convertible Note**). The Convertible Note was issued in consideration for Ms Lai You providing a loan of \$300,000 to the Company.

The original deemed issue price of Shares on conversion of the Convertible Note was \$0.10 per Share. However, the Board has resolved to vary the terms of the Convertible Note to provide that the deemed issue price of Shares on

conversion of the Convertible Note is \$0.08 per Share, together with one (1) free attaching Option for every one (1) Share issued, which is the issue price and terms consistent with recent placements. The Company and Ms Lai You have agreed to the variation of the terms of the Convertible Note.

The Directors (other than Mr Tsang who has a material personal interest in the matter) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the variation of the terms of the Convertible Note because the new issue price is the same as the issue price under the placements undertaken by the Company in June, July and August 2014 as such the giving of the financial benefit is on arm's length terms.

The Convertible Note will convert into 3,750,000 Shares at a deemed issue price of \$0.08 per Share, together with one (1) free attaching Option for every (1) Share issued, upon Shareholder approval being obtained pursuant to this Resolution 6.

Ms Lai You is a related party of the Company by virtue of being Mr Andrew Tsang's (a Director) mother.

Resolution 6 seeks Shareholder approval for the issue of 3,750,000 Shares and 3,750,000 Options to Ms Lai You (or her nominee) upon conversion of the Convertible Note.

7.2 Key terms of the Convertible Note

A summary of the key terms of the Convertible Note is set out below:

- (a) the face value of the Convertible Note is \$300,000;
- (b) the Convertible Note shall convert into Shares at a deemed issue price of \$0.08 per Share, together with one (1) free attaching Option for every one (1) Share issued (resulting in 3,750,000 Shares and 3,750,000 Options being issued on conversion of the Convertible Note) within five business days following a meeting at which Shareholders approve the conversion of the Convertible Note;
- (c) if the Convertible Note is not converted in accordance with paragraph (b) above, the face value of the Convertible Note, being the sum of \$300,000, will be repaid without deduction or counterclaim on 31 January 2015;
- (d) no interest will be payable on the Convertible Note unless Shareholder approval to the conversion of the Convertible Note is not obtained on or before the Company's 2014 annual general meeting, in which case the interest will accrue at the rate of 9% per annum, capitalised monthly from the date of issue of the Convertible Note until the date the Convertible Note is repaid. Any interest accrued will be payable in cash;
- (e) Ms Lai You may demand immediate repayment of the Convertible Note, together with any interest accrued, if, amongst other things, the Company fails to issue the Shares and Options on conversion of the Convertible Note;
- (f) the Convertible Note is unsecured;
- (g) all Shares issued pursuant to the conversion of the Convertible Note will rank equally with the Company's existing ordinary fully paid shares;

- (h) all Options issued pursuant to the conversion of the Convertible Note will be issued on the terms and conditions set out in Schedule 2; and
- (i) the Convertible Note contains other standard terms and conditions outlined in Schedule 3.

7.3 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in section 6.2 of this Explanatory Statement.

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

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

7.4 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in section 6.3 of this Explanatory Statement.

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

7.5 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Resolution 6:

- (a) the Shares will be issued to Ms Lai You (or her nominee);
- (b) the maximum number of securities to be issued is:
 - (i) 3,750,000 Shares; and
 - (ii) 3,750,000 Options;
- (c) the Shares and Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the Shares and Options will be issued for nil cash consideration as they are being issued in satisfaction of a loan of \$300,000. The Shares will be issued at a deemed issue price of \$0.08 per Share and the Options will be issued free attaching with the Shares on a 1:1 basis;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (g) no funds will be raised from this issue as the Shares and Options are being issued in satisfaction of a loan of \$300,000. The funds received from the loan were applied towards further exploration and development of the Company's current projects and general working capital.

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

8. RESOLUTIONS 7 AND 8 – ISSUE OF SHARES AND OPTIONS ON CONVERSION OF LOANS

8.1 General

On 7 February 2014, the Company announced that it had secured short term funding by way of an unsecured non-recourse loan for \$250,000 from Ms Lai You (**February 2014 Loan**).

On 18 March 2014, the Company announced that it had secured further short term funding by way of an unsecured non-recourse loan for an additional \$250,000 from Ms Lai You (**March 2014 Loan**).

The February 2014 Loan and the March 2014 Loan are together referred to as the **2014 Loans**.

Originally, each of the 2014 Loans was at the Company's sole election, convertible into Shares only. However, the Board has resolved to vary the terms of each 2014 Loan to provide that each 2014 Loan will convert into Shares and free attaching Options on a 1:1 basis. The Company and Ms Lai You have agreed to the variation of the terms of each of the 2014 Loans. The Directors (other than Mr Tsang who has a material personal interest in the matter) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the variation of the terms of the 2014 Loans because the securities to be issued on conversion of the 2014 Loans are on the same terms as the securities offered under the placements undertaken by the Company in June, July and August 2014 and as such the giving of the financial benefit is on arm's length terms.

Each 2014 Loan will convert into 3,125,000 Shares at a deemed issue price of \$0.08 per Share, together with one (1) free attaching Option for every (1) Share issued, upon Shareholder approval being obtained pursuant to Resolutions 7 and 8.

Ms Lai You is a related party of the Company by virtue of being Mr Andrew Tsang's (a Director) mother.

Resolution 7 seeks Shareholder approval for the issue of 3,125,000 Shares and 3,125,000 Options to Ms Lai You (or her nominee) upon conversion of the February 2014 Loan.

Resolution 8 seeks Shareholder approval for the issue of 3,125,000 Shares and 3,125,000 Options to Ms Lai You (or her nominee) upon conversion of the March 2014 Loan.

8.2 Key terms of the 2014 Loans

A summary of the key terms of each of the 2014 Loans is set out below:

- (a) each 2014 Loan is unsecured;
- (b) each 2014 Loan is to be repaid in cash on or before 31 January 2015;
- (c) the Company may (at its sole discretion) elect to repay through conversion of each of the 2014 Loans into Shares at the Issue Price (defined below). Each 2014 Loan cannot be converted into Shares and Options if such conversion would cause Ms You or the Company to breach the Corporations Act or the ASX Listing Rules. In this regard, any conversion of the 2014 Loans into Shares and Options will require prior approval of Shareholders;
- (d) no interest is payable on a 2014 Loan, unless the Company elects to convert that 2014 Loan into Shares and Options and Shareholder approval to the conversion of that 2014 Loan is not obtained. Should this occur, then interest will accrue at the rate of 9% per annum, capitalised monthly from the date of issue of that 2014 Loan until the date of actual repayment. Any interest accrued will be payable on or before 31 January 2015;
- (e) where the Company elects to convert a 2014 Loan into Shares and Options, the **Issue Price** will be:
 - (i) subject to paragraph (ii) below, equal to the issue price of Shares issued under the first capital raising undertaken by the Company after the date of execution of the unsecured non-recourse loan agreement with Ms Lai You (being \$0.08 per Share); or
 - (ii) in the event that the Company does not conduct a capital raising prior to the date of the Company's 2014 annual general meeting, the lower of:
 - (A) the ninety (90) day volume weighted average price (**VWAP**) of the Company's Shares; or
 - (B) the last traded Share price for the Company's Shares quoted by the ASX,on the trading day immediately prior to the date the Company's notifies Ms Lai You of its election to convert a 2014 Loan into Shares and Options.

The Options (which will be issued on the terms and conditions contained in Schedule 2) will be issued free attaching with the Shares on a 1:1 basis; and

- (f) all fractional entitlements to Shares and Options will be rounded up to the nearest whole number.

8.3 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in section 6.2 of this Explanatory Statement.

The conversion of the 2014 Loans will result in the issue of Shares and Options which constitutes giving a financial benefit and Ms Lai You is a related party of the Company by virtue of being Mr Andrew Tsang's (a Director) mother.

The Directors (other than Ms Andrew Tsang who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares and Options to Ms Lai You (or her nominee) on conversion of each of the 2014 Loans as they consider the terms of each of the 2014 Loans and the issue of the Shares and Options on conversion of each of the 2014 Loans to be commercially reasonable and was negotiated at arm's length.

8.4 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in section 6.3 of this Explanatory Statement.

As the conversion of each of the 2014 Loans involves the issue of Shares and Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

8.5 Resolution 7

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 7:

- (a) the Shares will be issued to Ms Lai You (or her nominee);
- (b) the maximum number of securities to be issued is:
 - (i) 3,125,000 Shares; and
 - (ii) 3,125,000 Options;
- (c) the Shares and Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the Shares and Options will be issued for nil cash consideration as they are being issued in satisfaction of a loan of \$250,000. The Shares will be issued at a deemed issue price of \$0.08 per Share and the Options will be issued free attaching with the Shares on a 1:1 basis;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (f) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (g) no funds will be raised from this issue as the Shares and Options are being issued in satisfaction of a loan of \$250,000. The funds received from the loan were applied towards further exploration and development of the Company's current projects and general working capital.

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

8.6 Resolution 8

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- (a) the Shares will be issued to Ms Lai You (or her nominee);
- (b) the maximum number of securities to be issued is:
 - (i) 3,125,000 Shares; and
 - (ii) 3,125,000 Options;
- (c) the Shares and Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the Shares and Options will be issued for nil cash consideration as they are being issued in satisfaction of a loan of \$250,000. The Shares will be issued at a deemed issue price of \$0.08 per Share and the Options will be issued free attaching with the Shares on a 1:1 basis;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (g) no funds will be raised from this issue as the Shares and Options are being issued in satisfaction of a loan of \$250,000. The funds received from the loan were applied towards further exploration and development of the Company's current projects and general working capital.

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

GLOSSARY

\$ means Australian dollars.

Agreement means the Shareholders and Development Agreement Relating to Yilgiron Pty Ltd (ABN 32 133 051 233) between the Company, Yilgiron and PMHL dated 15 October 2013.

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

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Exempt Investors has the meaning given in section 5.1 of the Explanatory Statement.

Explanatory Statement means the explanatory statement accompanying the Notice.

Investor Subscription has the meaning given in section 5.1 of the Explanatory Statement.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having

authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

PMHL means Perpetual Mining Holding Limited (Hong Kong Companies Registry Company No 186100).

Professional Investors has the meaning given in section 5.1 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

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

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

Shareholder means a registered holder of a Share.

Sophisticated Investors has the meaning given in section 5.1 of the Explanatory Statement.

Subscription Shares has the meaning given in section 5.1 of the Explanatory Statement.

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

Yilgiron means Yilgiron Pty Ltd (ACN 133 051 233).

Yilgiron Infrastructure means Yilgiron Infrastructure Pty Ltd (ACN 146 290 413).

SCHEDULE 1 – TERMS AND CONDITIONS OF SUBSCRIBER OPTIONS

The terms and conditions of the Subscriber Options are:

- (a) Each Option entitled the holder to subscribe for one ordinary share in the Company upon the payment of \$0.12 (twelve cents).
- (b) The Options will lapse at 5.00pm, Western Standard time on 30 June 2016 (**Expiry Date**).
- (c) The Options cannot be transferred for the period of 12 months from issue.
- (d) The Options will not be quoted on the ASX.
- (e) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issued capital that may be offered to Shareholders during the currency of the Option.
- (f) Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least 6 business days before books closing date to exercise the Options.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (h) The Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by the Optionholder.
- (i) The Company shall issue the resultant Shares and deliver a statement of shareholdings with the holder's identification number within 5 Business Days of the exercise of the Options.
- (j) The Shares issued shall rank, from the date of issue, equally with the existing ordinary Shares of the Company in all respects. The Company shall apply for the Shares to be quoted on the ASX.
- (k) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other Shares of that class on issue at the date of issue of the Bonus Shares.
- (l) If there is a pro rata issue (other than a bonus issue) to the holders of Shares during the currency of, and prior to the exercise of any, Options, the Exercise Price of an

Option will be reduced according to the formula provided for in the ASX Listing Rules (where or not the Company is listed on ASX at the time).

- (m) The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options.

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options are:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

The Options will have an exercise price that is \$0.12 (**Exercise Price**) and will expire on the date that is 31 July 2016 (**Expiry Date**).

(c) **Exercise Period**

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

(d) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) **Timing**

Within 15 Business Days after the later of the following:

- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised the Company will:

- (i) allot and issue the Shares pursuant to the exercise of the unlisted options;
- (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the unlisted options.

If a notice delivered under (e)(iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than thirty (30) days after the date of issue of the Shares lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(f) **Shares issued on exercise**

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

(g) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(h) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(j) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(k) **Unlisted**

The Options will be unlisted Options.

(l) **Options transferable**

The Options are not transferable.

(m) **Lodgement instructions**

Payment of the Exercise Price shall be in Australian currency made payable to the Company by electronic funds transfer or other means of payment acceptable to the Company. The application for Shares on exercise of the Options with the appropriate remittance should be lodged with the Company in the manner provided in the Option certificate.

SCHEDULE 3 – TERMS AND CONDITIONS OF CONVERTIBLE NOTE

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

1. If not converted under clause 3, the face value of the Note, being the sum of \$300,000, will be repaid without deduction or counterclaim on 31 January 2015 (**Expiry Date**).
2. No interest will be payable on the Note unless Shareholder approval to the conversion of the Note is not obtained in accordance with clause 3 as soon as practicable following the issue of the Note and in any event at the Company's 2014 Annual General Meeting, in which case interest will accrue at the rate of 9% per annum, capitalised monthly from the date of issue of the Note until the date of actual repayment. Any interest accrued will be settled by way of cash and will not form part of the Note to be converted.
3. The Note shall convert into ordinary fully paid shares (**Shares**) in the capital of the Company at the Issue Price set out in clause 4 below, within five business days following the meeting at which Shareholders approve the conversion of the Note into Shares for the purpose of ASX Listing Rules 7.1 and 10.11 of the Listing Rules of the Australian Securities Exchange, and for all other purposes. The Note will not convert and it will be a condition precedent to its conversion into Shares that Shareholder approval to its conversion be obtained as soon as practicable following the issue of the Note and in any event by not later than the Company's 2014 Annual General Meeting.
4. The "Issue Price" is A\$0.08 (eight cents) per Share, together with one (1) free attaching Option for every one (1) Share issued.
5. The Note is unsecured.
6. The Noteholder may demand immediate repayment of the Note together with all accrued interest and the Company must immediately make the total payment so requested in cash upon the occurrence of any of the following events:
 - (a) the Company fails to issue the Shares and Options on the conversion of the Note in accordance with clause 3;
 - (b) the Company fails to perform any other undertaking or obligation of it under the Note and that failure is not remediable;
 - (c) if the failure described in clause 6(b) is remediable, and the Company does not remedy the failure within five business days after receipt by the Company of a notice from the Noteholder specifying the failure;
 - (d) a judgment in an amount exceeding \$500,000 is obtained against the Company and is not set aside or satisfied within 15 business days;
 - (e) a distress, attachment, execution or other process is issued against, levied or entered upon an asset of the Company in an amount exceeding \$500,000 and is not set aside or satisfied within 15 business days;
 - (f) any of the following occur:
 - (i) an order is made; or
 - (ii) a resolution is passed; or

- (iii) any steps are taken to pass a resolution, for the winding up of the Company;
 - (g) any of the following occur:
 - (i) an administrator is appointed, or any steps are taken to appoint an administrator; or
 - (ii) a resolution to appoint an administrator is passed, or any steps are taken to pass a resolution to appoint an administrator, to the Company;
 - (h) the Company is deregistered, or any steps are taken to deregister it or the Company;
 - (i) the Company suspends payment of its debts generally;
 - (j) the Company is:
 - (i) unable to pay its debts when they are due; or
 - (ii) deemed to be unable to pay its debts under applicable legislation;
 - (k) the Company enters into or resolves to enter into any arrangement, or composition or compromise with, or assignment for the benefit of any of its creditors;
 - (l) the Company ceases to carry on business.
7. All Shares issued pursuant to the conversion of the Note will be issued within 5 business days after the conversion of the Note and will rank *pari passu* in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for official quotation by ASX of all Shares issued upon conversion of the Note on or before the fifth business day on which ASX is open after the date of issue of the Shares. The Company will procure that a holding statement for the Shares is given to the Noteholder in accordance with the ASX Settlement Operating Rules. The Company will issue a Cleansing Notice pursuant to Section 708A of the *Corporations Act 2001 (Cth)* with respect to the issue of Shares on conversion of the Note.
 8. All Options issued pursuant to the conversion of the Note will be issued on the terms and conditions set out in Schedule 2 of this Notice of Meeting.
 9. There are no participating rights or entitlement inherent in the Note and the Noteholder in their capacity as such will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Note.
 10. In the event of reorganisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Shares into which the Note is convertible shall be reorganised (as appropriate) in the manner required by the Listing Rules of the Australian Securities Exchange with respect to options.
 11. If and to the extent any of the preceding terms and conditions are inconsistent with the Listing Rules of the Australian Securities Exchange, such rules will prevail in all respects to the extent of the inconsistency.

12. These terms and conditions are governed by the laws of the State of Western Australia and the Noteholder unconditionally submits to the jurisdiction of the courts of that State and courts of appeal from them.
13. The Noteholder may transfer the Note to any related party (as defined in the *Corporations Act 2001 (Cth)*) of the Noteholder for the time being.

PROXY FORM

MINDAX LIMITED
ACN 106 866 442

ANNUAL GENERAL MEETING

I/We

of:

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

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:30 am (WST), on 31 October 2014 at Hyatt Regency Perth, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Director – Mr Kgai Mun (Eric) Loh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Renewal of Proportional Takeover Provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Issue Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares and Options to Related Party – Ms Lai You	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares and Options to Related Party on Conversion of Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares and Options to Related Party on Conversion of Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Shares and Options to Related Party on Conversion of Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail
in relation to this Proxy Form:

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Mindax Limited, PO Box 92 West Perth WA 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9485 2500; or
 - (c) email to the Company at proxy@mindax.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.