

MINDAX LIMITED
ABN 28 106 866 442
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2020

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2020 and any public announcements made by Mindax Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

MINDAX LIMITED
31 DECEMBER 2020

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MINDAX LIMITED
31 DECEMBER 2020

DIRECTORS' REPORT

Your directors are pleased to present their report on the consolidated entity (referred to hereafter as the Group) consisting of Mindax Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The names of the directors who held office during or since the end of the half-year, to the date of this report, are:

Mr Benjamin Chow, *appointed 4 February 2021*

Mr Kgai Mun (Eric) Loh

Mr Yonggang Li

Mr Qinglong Zeng

Mr Biao Zhun Zhu

OPERATIONS AND FINANCIAL REVIEW

A summary of consolidated revenues and results for the half-year is set out below:

	2020		2019	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and results	4	(340,423)	8	(295,810)

Mindax Limited ('Mindax' or 'the Company') is a Perth-based mineral exploration company. The Company maintained its consolidated tenement holding for the Mt Forrest Iron Project during the half-year ended 31 December 2020, together with the Meekatharra Gold Project.

Mt Forrest Iron Project

During the period, the Company negotiated a Binding Heads of Agreement with Norton Gold Fields Pty Ltd (**Norton Gold**) concerning an Earn-In Agreement and Joint Venture over the Mt Forrest Project (**Project**), where Norton Gold will earn a 19.9% joint venture interest by sole funding AUD\$20 million of joint venture expenditure (**BHOA**). Norton Gold has now deposited \$10m into a Company bank account pursuant to the BHOA, as amended (an account to which the Company is a signatory, but which Norton Gold control). A further \$10m is to be deposited into the account (within 14 days of the receipt of FIRB approval).

As a result of the execution of the BHOA, Norton Gold and the Company have formed an important strategic relationship in the form of a joint venture on the Mt Forrest Project tenements.

Given the recent increase in demand for iron ore, the Company is positioned to take advantage of the shift in market sentiment with the view to increasing shareholder value.

Meekatharra Gold Project

Tenure for this project is current and secure. No geological or other activity has been undertaken on the Meekatharra Gold Project tenement during the reporting period.

MINDAX LIMITED
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DIRECTORS' REPORT (continued)

EVENTS OCCURRING AFTER REPORTING DATE

During January 2021, the Company raised a total of \$2,590,000 (before costs) from the issue of 518,000,000 ordinary shares at an issue price of \$0.005 per share. An additional 26,225,000 ordinary shares were issued in satisfaction of \$131,125 share issue transaction costs.

During January 2021, the Company agreed with related parties, being current and former directors, for the forgiveness of a total of \$775,805 in accrued director fees, being 80% of the balance owed at 31 December 2020, with the remaining balance of \$193,951 paid during February 2021.

On 4 February 2021 Mr Benjamin Chow was appointed as a director and Chair of the Company in addition to his continuing role as Chief Executive Officer.

No other matter or circumstance has arisen since 31 December 2020, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:



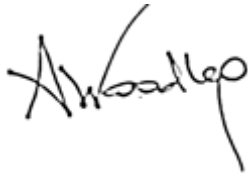
Benjamin Chow
Executive Chairman
Perth, 11 March 2021

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor for the review of Mindax Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mindax Limited and the entities it controlled during the period.



Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 11 March 2021

MINDAX LIMITED
31 DECEMBER 2020

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Half-year	
	2020	2019
	\$	\$
Revenue from continuing operations	4	8
Administration expenses	(23,346)	(30,350)
Corporate expenses	(223,990)	(173,523)
Depreciation expense	(563)	(667)
Salaries and employee benefits expense	(92,528)	(91,278)
LOSS BEFORE INCOME TAX	(340,423)	(295,810)
Income tax expense	-	-
LOSS FOR THE HALF-YEAR AFTER INCOME TAX	(340,423)	(295,810)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF MINDAX LIMITED	(340,423)	(295,810)
Basic and diluted loss per share (cents)	(0.03)	(0.03)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

MINDAX LIMITED
31 DECEMBER 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		14,532	178,776
Trade and other receivables		21,357	16,043
Prepayments		15,596	1,138
TOTAL CURRENT ASSETS		51,485	195,957
NON-CURRENT ASSETS			
Plant and equipment		8,039	8,602
Other assets		2,885	2,885
Exploration and evaluation assets	3	2,541,539	2,411,487
TOTAL NON-CURRENT ASSETS		2,552,463	2,422,974
TOTAL ASSETS		2,603,948	2,618,931
CURRENT LIABILITIES			
Trade and other payables	4	1,388,975	1,486,722
TOTAL CURRENT LIABILITIES		1,388,975	1,486,722
TOTAL LIABILITIES		1,388,975	1,486,722
NET ASSETS		1,214,973	1,132,209
EQUITY			
Contributed equity	5	45,195,375	44,772,188
Reserves		871,452	871,452
Accumulated losses		(44,851,854)	(44,511,431)
TOTAL EQUITY		1,214,973	1,132,209

The above consolidated statement of financial position should be read in
conjunction with the accompanying notes.

MINDAX LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Contributed Equity	Share-based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2019	44,214,188	871,452	(43,925,319)	1,160,321
Loss for the half-year	-	-	(295,810)	(295,810)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(295,810)	(295,810)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	322,500	-	-	322,500
Share issue transaction costs	(72,500)	-	-	(72,500)
BALANCE AT 31 DECEMBER 2019	<u>44,464,188</u>	<u>871,452</u>	<u>(44,221,129)</u>	<u>1,114,511</u>
BALANCE AT 1 JULY 2020	44,772,188	871,452	(44,511,431)	1,132,209
Loss for the half-year	-	-	(340,423)	(340,423)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(340,423)	(340,423)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	449,437	-	-	449,437
Share issue transaction costs	(26,250)	-	-	(26,250)
BALANCE AT 31 DECEMBER 2020	<u>45,195,375</u>	<u>871,452</u>	<u>(44,851,854)</u>	<u>1,214,973</u>

The above consolidated statement of changes in equity should be read in
conjunction with the accompanying notes.

MINDAX LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Half-year	
		2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(381,664)	(200,651)
Interest received		4	8
Net cash (outflow) from operating activities		(381,660)	(200,643)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(205,771)	(29,143)
Net cash (outflow) from investing activities		(205,771)	(29,143)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares	5	423,187	250,000
Net cash inflow from financing activities		423,187	250,000
Net (decrease)/increase in cash and cash equivalents		(164,244)	20,214
Cash and cash equivalents at the beginning of the half-year		178,776	7,497
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR		14,532	27,711

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS

This consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Group as full financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Mindax Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated.

These half-year financial statements were authorised for issue by a resolution of directors on 11 March 2021.

Critical accounting estimates and judgements

There have been no significant changes to the critical accounting estimates or judgements since the last annual reporting date.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the reporting period the Group incurred a net loss of \$340,423 (31 December 2019: \$295,810) and incurred net cash outflows from operating activities of \$381,660 (31 December 2019: \$200,643). The Group had a net working capital deficiency of \$1,337,490 at reporting date (30 June 2020: \$1,290,765) and trade and other payables of \$1,388,975 (30 June 2020: \$1,486,722) at reporting date.

From the balance of \$1,388,975 in trade and other payables outstanding at reporting date, \$1,378,952, are owed to related parties and internal creditors and \$10,023 are owed to external creditors.

Management believe that as at the date of this report there are reasonable grounds to believe that the Group will continue as a going concern for the following reasons:

- Subsequent to the end of the reporting period the Company has raised a total of \$2,590,000 (before costs) from the issue of 518,000,000 ordinary shares, refer to note 10; and
- Subsequent to the end of the reporting period, the Company agreed with related parties, being current and former directors, for the forgiveness of a total of \$775,805 in accrued director fees, being 80% of the balance owed at 31 December 2020, with the remaining balance of \$193,951 paid during February 2021. Refer to note 10.

As a result of the above note subsequent event items, the Group believes the use of the going concern assumption is appropriate.

MINDAX LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS (continued)

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2020. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

NOTE 2: SEGMENT INFORMATION

Identification of reportable segments

For management purposes, the Group has identified two reportable segments based on the minerals present in the Projects detailed in the Quarterly Activities Report released to the Australian Securities Exchange each quarter, prepared by management. Based on the contents of this report, the two reportable segments identified are:

1. Gold (comprising the Meekatharra Project); and
2. Iron Ore (comprising the Mt Forrest Project).

Segment information provided to the directors for the half-year ended 31 December 2020 is as follows:

	Gold	Iron Ore	Total
Half-Year	\$	\$	\$
31 December 2020			
Total segment revenue	-	-	-
Intersegment revenue	-	-	-
Reportable segment loss	-	-	-
31 December 2019			
Total segment revenue	-	-	-
Intersegment revenue	-	-	-
Reportable segment loss	-	-	-
Total segment assets			
31 December 2020	153,646	2,395,933	2,549,578
30 June 2020	148,537	2,271,552	2,420,089
Total segment liabilities			
31 December 2020	-	-	-
30 June 2020	10,990	64,729	75,719

MINDAX LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION (continued)

Reportable segment assets are reconciled to total assets as follows:

	31 December 2020	30 June 2020
	\$	\$
Segment assets	2,549,578	2,420,089
Intersegment eliminations	-	-
Unallocated		
Cash and cash equivalents	14,532	178,776
Trade and other receivables	21,357	16,043
Prepayments	15,596	1,138
Other non-current assets	2,885	2,885
Total assets	2,603,948	2,618,931
Segment liabilities	-	75,719
Intersegment eliminations	-	-
Unallocated		
Trade and other payables	1,388,975	1,411,003
Total liabilities	1,388,975	1,486,722

Reconciliation of reportable segment loss to loss before income tax is as follows:

	Half-year 2020	2019
	\$	\$
Total loss for reportable segments	-	-
Intersegment eliminations	-	-
Unallocated amounts		
Interest revenue	4	8
Depreciation and amortisation	(563)	(667)
Other expenses	(339,864)	(295,151)
Loss before income tax	(340,423)	(295,810)

MINDAX LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 December 2020 \$	30 June 2020 \$
Exploration and evaluation assets	2,541,539	2,411,487
Balance at the beginning of the period	2,411,487	2,181,662
Expenditure incurred	130,052	229,825
Balance at the end of the period	2,541,539	2,411,487

Tenure to all tenements is current and secure. All Department of Mines, Industry Regulation & Safety reporting obligations are up to date.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated expenditures in respect of that area are impaired in the financial period the decision is made.

NOTE 4: TRADE AND OTHER PAYABLES

	31 December 2020 \$	30 June 2020 \$
Trade payables	100,420	226,040
Other payables and accruals	1,288,555	1,260,682
	1,388,975	1,486,722

NOTE 5: ISSUED CAPITAL

Ordinary Share Capital	2020 Shares	2020 \$	2019 Shares	2019 \$
As at 1 July	1,040,821,359	44,772,188	943,141,359	44,214,188
Issued during the half-year				
Issued as consideration for consulting fees ^{(1), (2)}	5,250,000	26,250	14,500,000	72,500
Issued for cash at 0.5 cents per share ⁽³⁾	114,637,416	423,187	50,000,000	250,000
Transaction costs ^{(1), (2)}	-	(26,250)	-	(72,500)
As at 31 December	1,160,708,775	45,195,375	1,007,641,359	44,464,188

MINDAX LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 5: ISSUED CAPITAL (continued)

- (1) On 6 October 2020, the Company issued 3,850,000 ordinary shares and on 9 October 2020 the Company issued 1,400,000 ordinary shares to separate individuals in consideration for consulting services relating to the issue of shares. The fair value of the shares recognised is by direct reference to the fair value of services received. This was determined by corresponding invoices which totalled \$26,250 (excluding GST). These amounts have been recognised in the statement of financial position under transaction costs to share capital.
- (2) On 29 October 2019, the Company issued 6,000,000 ordinary shares and on 20 December 2019 the Company issued 8,500,000 ordinary shares to separate individuals in consideration for consulting services relating to the issue of shares. The fair value of the shares recognised is by direct reference to the fair value of services received. This was determined by corresponding invoices which totalled \$72,500 (excluding GST). These amounts have been recognised in the statement of financial position under transaction costs to share capital.
- (3) As at 30 June 2020, \$150,000 had been received in respect of 30,000,000 ordinary shares that were issued on 16 July 2020.

NOTE 6: CONTINGENCIES

There are no contingent liabilities or contingent assets as at the reporting date.

NOTE 7: DIVIDENDS

No dividends were paid during the half-year. No recommendation for payment of dividends has been made.

NOTE 8: COMMITMENTS

There have been no significant changes to commitments since the last annual reporting date.

NOTE 9: FAIR VALUE MEASUREMENT

There were no financial assets or liabilities at 31 December 2020 or 30 June 2020 requiring fair value estimation and disclosure as they are either not carried at fair value or in the case of short term assets and liabilities, their carrying values approximate fair value.

NOTE 10: EVENTS OCCURRING AFTER REPORTING DATE

During January 2021, the Company raised a total of \$2,590,000 (before costs) from the issue of 518,000,000 ordinary shares at an issue price of \$0.005 per share. An additional 26,225,000 ordinary shares were issued in satisfaction of \$131,125 share issue transaction costs.

During January 2021, the Company agreed with related parties, being current and former directors, for the forgiveness of a total of \$775,805 in accrued director fees, being 80% of the balance owed at 31 December 2020, with the remaining balance of \$193,951 paid during February 2021.

On 4 February 2021 Mr Benjamin Chow was appointed as a director and Chair of the Company in addition to his continuing role as Chief Executive Officer.

No other matter or circumstance has arisen since 31 December 2020, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial periods.

MINDAX LIMITED
31 DECEMBER 2020

DIRECTORS' DECLARATION

In the opinion of the directors of Mindax Limited:

1. the financial statements and notes set out on pages 6 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors and is signed for and on behalf of the directors by:



Benjamin Chow
Executive Chairman
Perth, 11 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mindax Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mindax Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', with the 'BDO' logo written above it.

Ashleigh Woodley

Director

Perth, 11 March 2021