

MINDAX LIMITED
ABN 28 106 866 442
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2018

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 2018 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 2018

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MINDAX LIMITED
31 DECEMBER 2018

DIRECTORS' REPORT

Your directors are pleased to present their report on the consolidated entity consisting of Mindax Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

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

Mr Andrew Tsang

Mr Kgai Mun Loh

Mr Yonggang Li

OPERATIONS AND FINANCIAL REVIEW

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

	2018		2017	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and results	43	(398,505)	10,008	(299,089)

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 2018, together with the Meekatharra Gold Project. The Company continues to consider all funding opportunities in order to explore and progress both Projects.

Mt Forrest Iron Project

During the reporting period, a visit to China to meet with representatives of a Chinese conglomerate resulted in an agreement between the parties to conduct further discussions in Australia and undertake a site visit to the Company's Mt Forrest Iron Project. Subject to the outcome of pending meetings, the Company expects to enter further detailed commercial discussions with respect to a potential refinancing of the Company, followed by detailed due diligence. The Company anticipates that the purpose of any investment would be to fund the feasibility studies and associated work to progress the Mt Forrest Iron Project towards production.

Discussions with infrastructure groups are ongoing and continued during the half-year. The current regional infrastructure concept being discussed includes collaborating with other companies that surround the Mt Forrest Project. The aim is to create a 'critical mass' that would support the required resources to evaluate the economics of a large scale infrastructure project.

All discussions are non-binding and without obligation, however Mindax is pleased with the level of engagement and depth of discussions to date and will continue to progress this opportunity.

The Group will update shareholders with any further developments relating to the matter with the view to potentially unlocking the stranded iron ore assets in the Midwest region of Western Australia.

Meekatharra Gold Project

The Group continues to advance EL51/1705 with work being completed to gain all required approvals for the Company's budgeted exploration drilling programme. The drilling programme will be completed as soon as practicable.

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DIRECTORS' REPORT (continued)

EVENTS OCCURRING AFTER REPORTING DATE

During January 2019 the Company issued 40,000,000 fully paid ordinary shares to complete a placement of \$200,000 by an unrelated party for which the funds were received during December 2018.

During February 2019 the Company issued 1,000,000 fully paid ordinary shares as consideration for services invoiced for \$10,000.

No other matter or circumstance has arisen since 31 December 2018, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company 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, 15 March 2019

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor for the review of Mindax Limited for the half-year ended 31 December 2018, 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.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 15 March 2019

MINDAX LIMITED
31 DECEMBER 2018

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	Half-year 2018 \$	2017 \$
Revenue from continuing operations		43	8
Other income		-	10,000
Administration expenses		(32,819)	(25,155)
Corporate expenses		(212,409)	(190,459)
Depreciation expense		(792)	(955)
Loss on settlement of liability	6 (2,3)	(60,000)	-
Salaries and employee benefits expense		(92,528)	(92,528)
LOSS BEFORE INCOME TAX		(398,505)	(299,089)
Income tax expense		-	-
LOSS FOR THE HALF-YEAR AFTER INCOME TAX		(398,505)	(299,089)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF MINDAX LIMITED		(398,505)	(299,089)
Basic and diluted loss per share (cents)		(0.05)	(0.05)

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

MINDAX LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December 2018 \$	30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		135,244	214,057
Trade and other receivables		12,884	12,669
Prepayments		11,320	3,731
TOTAL CURRENT ASSETS		159,448	230,457
NON-CURRENT ASSETS			
Plant and equipment		10,699	11,491
Other assets		2,885	2,885
Exploration and evaluation assets	3	2,059,601	1,951,771
TOTAL NON-CURRENT ASSETS		2,073,185	1,966,147
TOTAL ASSETS		2,232,633	2,196,604
CURRENT LIABILITIES			
Trade and other payables	4	1,036,713	952,179
Borrowings	5	50,000	100,000
TOTAL CURRENT LIABILITIES		1,086,713	1,052,179
TOTAL LIABILITIES		1,086,713	1,052,179
NET ASSETS		1,145,920	1,144,425
EQUITY			
Contributed equity	6	43,843,101	43,443,101
Reserves		871,452	871,452
Accumulated losses		(43,568,633)	(43,170,128)
TOTAL EQUITY		1,145,920	1,144,425

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 2018

	Contributed Equity	Share-based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2017	42,743,101	871,452	(42,573,961)	1,040,592
Loss for the half-year	-	-	(299,089)	(299,089)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(299,089)	(299,089)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	100,000	-	-	100,000
BALANCE AT 31 DECEMBER 2017	<u>42,843,101</u>	<u>871,452</u>	<u>(42,873,050)</u>	<u>841,503</u>
 BALANCE AT 1 JULY 2018	 43,443,101	 871,452	 (43,170,128)	 1,144,425
Loss for the half-year	-	-	(398,505)	(398,505)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(398,505)	(398,505)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	410,000	-	-	410,000
Share-based payments during the period	57,500	-	-	57,500
Share issue transaction costs	(67,500)	-	-	(67,500)
BALANCE AT 31 DECEMBER 2018	<u>43,843,101</u>	<u>871,452</u>	<u>(43,568,633)</u>	<u>1,145,920</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 2018

	Half-year	
	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(281,795)	(66,304)
Other income received	-	10,000
Interest received	43	8
Net cash (outflow) from operating activities	(281,752)	(56,296)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(47,061)	(54,938)
Net cash (outflow) from investing activities	(47,061)	(54,938)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	250,000	100,000
Net cash inflow from financing activities	250,000	100,000
Net (decrease) in cash and cash equivalents	(78,813)	(11,234)
Cash and cash equivalents at the beginning of the half-year	214,057	22,224
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	135,244	10,990

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 2018 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 2018 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 15 March 2019.

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

In the half-year ended 31 December 2018, the Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 9 *Financial Instruments and related amending Standards*;
- AASB 15 *Revenue from Contracts with Customers and related amending Standards*; and
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*.

AASB 9 *Financial Instruments and related amending Standards*

In the current year, the Group has applied AASB 9 *Financial Instruments* and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.

Additionally, the Group adopted consequential amendments to AASB 7 *Financial Instruments: Disclosures*.

In summary AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities;
- Impairment of financial assets; and
- General hedge accounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

AASB 15 Revenue from Contracts with Customers and related amending Standards

In the current year, the Group has applied AASB 15 *Revenue from Contracts with Customers* which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios.

There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

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 2018. 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.

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 \$398,505 (31 December 2017: \$299,089) and incurred net cash outflows from operating activities of \$281,752 (31 December 2017: \$56,296). The Group had a net working capital deficiency of \$927,265 at reporting date (30 June 2018: \$821,722), trade and other payables of \$1,036,713 (30 June 2018: \$952,179) and borrowings of \$50,000 (30 June 2018: \$100,000) at reporting date. At the date of this report the majority of the current liabilities are overdue.

From the \$1,036,713 in trade and other payables outstanding at reporting date, \$940,599, are owed to related parties and internal creditors and \$96,114 are owed to external creditors. In addition, the \$50,000 in borrowings is owed to a related party.

The related parties have indicated they will continue to support the Group and defer repayment terms and entitlements until such time that the Group has the financial capacity to compensate them. The ability of the Group to continue as a going concern is therefore dependent on the ability to raise additional funding through debt and/or equity, and the continued support of its related parties until such time as the Group can repay them.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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:

- Continued support from related parties and creditors; and
- The ability to raise additional funding through debt and/or equity.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that may differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 2018 is as follows:

	Gold	Iron Ore	Total
Half-Year	\$	\$	\$
31 December 2018			
Total segment revenue	-	-	-
Intersegment revenue	-	-	-
Reportable segment loss	-	-	-
31 December 2017			
Total segment revenue	-	-	-
Intersegment revenue	-	-	-
Reportable segment loss	-	-	-
Total segment assets			
31 December 2018	106,937	1,963,363	2,070,300
30 June 2018	78,230	1,885,032	1,963,262
Total segment liabilities			
31 December 2018	1,357	59,412	60,769
30 June 2018	-	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION (continued)

Reportable segment assets and liabilities are reconciled to total assets and total liabilities as follows:

	31 December 2018 \$	30 June 2018 \$
Segment assets	2,070,300	1,963,262
Intersegment eliminations	-	-
Unallocated		
Cash and cash equivalents	135,244	214,057
Trade and other receivables	12,884	12,669
Prepayments	11,320	3,731
Other non-current assets	2,885	2,885
Total assets	2,232,633	2,196,604
Segment liabilities	60,769	-
Intersegment eliminations	-	-
Unallocated		
Trade and other payables	975,944	952,179
Borrowings	50,000	100,000
Total liabilities	1,086,713	1,052,179

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

	Half-year 2018 \$	2017 \$
Total loss for reportable segments	-	-
Intersegment eliminations	-	-
Unallocated amounts		
Interest revenue	43	8
Other income	-	10,000
Depreciation and amortisation	(792)	(955)
Other expenses	(397,756)	(308,142)
Loss before income tax	(398,505)	(299,089)

MINDAX LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 December 2018 \$	30 June 2018 \$
Exploration and evaluation assets	2,059,601	1,951,771
Balance at the beginning of the period	1,951,771	1,747,025
Expenditure incurred	107,830	204,746
Balance at the end of the period	2,059,601	1,951,771

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 2018 \$	30 June 2018 \$
Trade payables	85,770	30,865
Other payables and accruals	950,943	921,314
	1,036,713	952,179

NOTE 5: BORROWINGS

	31 December 2018 \$	30 June 2018 \$
Non-recourse loan	50,000	100,000

Unsecured Non-Recourse Loan

The Company has secured short-term funding by way of an unsecured non-recourse loan from Mr Andrew Tsang, Non-Executive Director. The loan is unsecured, interest free and with no set repayment terms. At 30 June 2018 the balance outstanding was \$100,000. Following shareholder approval obtained at the General Meeting held on 17 July 2018, \$50,000 of the amount outstanding was converted into 10,000,000 ordinary shares at an issue price of \$0.005 per share. The fair value of the shares issued by the Company is based on the grant date fair value, being \$0.008. This has resulted in a loss on settlement of the liability of \$30,000 for the 2018 half-year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 6: ISSUED CAPITAL

Ordinary Share Capital	2018 Shares	2018 \$	2017 Shares	2017 \$
As at 1 July	741,424,008	43,443,101	647,424,008	42,743,101
Issued during the half-year				
Issued as consideration for consulting fees ⁽¹⁾	11,500,000	57,500	-	-
Issued in settlement of loan ⁽²⁾	10,000,000	80,000	-	-
Issued as consideration for director fees ⁽³⁾	10,000,000	80,000	-	-
Issued for cash at 0.5 cents per share ⁽⁴⁾	56,000,000	250,000	20,000,000	100,000
Transaction costs ⁽¹⁾	-	(67,500)	-	-
As at 31 December	828,924,008	43,843,101	667,424,008	42,843,101

- (1) On 7 August 2018 the Company issued 7,000,000 ordinary shares and on 26 November 2018 the Company issued 4,000,000 and 500,000 ordinary shares to separate individuals in consideration for consulting services. 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 \$57,500 (excluding GST). These amounts have been recognised in the statement of financial position under transaction costs to share capital.
- (2) The Company had secured short-term funding by way of an unsecured non-recourse loan from Mr Andrew Tsang, Non-Executive Director. Following shareholder approval obtained at the General Meeting held on 17 July 2018, \$50,000 of the loan was converted into 10,000,000 ordinary shares at an issue price of \$0.005 per share. The fair value of the shares issued by the Company is based on the grant date fair value, being \$0.008. This has resulted in a loss on settlement of the liability of \$30,000 for the 2018 half-year.
- (3) A resolution was approved by shareholders at the General Meeting of the Company held on 17 July 2018 to issue shares to Mr Benjamin Chow, Executive Chairman, in lieu of director fees accrued for the period 1 April 2015 to 30 June 2018. Fees totalling \$50,000 were satisfied by the issue of 10,000,000 ordinary shares on 7 August 2018 utilising these approvals. The total expense to be recognised by the Company is based on the grant date fair value of the shares issued, being \$0.008. This has resulted in a loss on settlement of the liability of \$30,000 for the 2018 half-year.
- (4) As at 31 December 2018 \$200,000 had been received in respect of 40,000,000 ordinary shares that were issued on 7 January 2019. As at 30 June 2018, \$230,000 had been received in respect of 46,000,000 ordinary shares that were issued on 17 July 2018.

NOTE 7: CONTINGENCIES

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

NOTE 8: DIVIDENDS

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

MINDAX LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 9: COMMITMENTS

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

NOTE 10: RELATED PARTY TRANSACTIONS

The Company has secured short-term funding by way of an unsecured non-recourse loan from Mr Andrew Tsang, Non-Executive Director. The loan is unsecured, interest free and with no set repayment terms. At 30 June 2018 the balance outstanding was \$100,000. Following shareholder approval obtained at the General Meeting held on 17 July 2018, \$50,000 of the amount outstanding was converted into 10,000,000 ordinary shares at an issue price of \$0.005 per share. The fair value of the shares issued by the Company is based on the grant date fair value, being \$0.008. This has resulted in a loss on settlement of the liability of \$30,000 for the 2018 half-year.

NOTE 11: FAIR VALUE MEASUREMENT

There were no financial assets or liabilities at 31 December 2018 or 30 June 2018 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 12: EVENTS OCCURRING AFTER REPORTING DATE

During January 2019 the Company issued 40,000,000 fully paid ordinary shares to complete a placement of \$200,000 by an unrelated party for which the funds were received during December 2018.

During February 2019 the Company issued 1,000,000 fully paid ordinary shares as consideration for services invoiced for \$10,000.

No other matter or circumstance has arisen since 31 December 2018, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial periods.

MINDAX LIMITED
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DIRECTORS' DECLARATION

In the opinion of the directors of Mindax Limited:

1. the financial statements and notes set out on pages 6 to 16 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 2018 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, 15 March 2019

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 2018, 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 then ended, notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 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 *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a faint, stylized 'BDO' logo.

Glyn O'Brien

Director

Perth, 15 March 2019