

Mindax Limited

ABN 28 106 866 442

Annual Report

for the year ended 30 June 2022

For personal use only

Corporate Information

ABN 28 106 866 442

Directors

Benjamin Chow (Executive Chairman)
Qinglong Zeng (Non-Executive Director)
Biaozhun Zhu (Non-Executive Director)

Company Secretary

Dennis Wilkins

Registered Office and Principal Place of Business

Level 1, Suite 3, 17 Ord Street
WEST PERTH WA 6005
Telephone: (08) 9389 2111

Postal Address

PO Box 1153
WEST PERTH WA 6872

Bankers

Commonwealth Bank
1263 Hay Street
WEST PERTH WA 6005

Share Register

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9262 3723

Auditors

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Internet Address

www.mindax.com.au

Stock Exchange Listing

Mindax Limited shares are listed on the Australian Securities Exchange (ASX code MDX).

Contents

| | |
|---|----|
| Directors' Report | 3 |
| Auditor's Independence Declaration | 13 |
| Corporate Governance Statement | 14 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 15 |
| Consolidated Statement of Financial Position | 16 |
| Consolidated Statement of Changes in Equity | 17 |
| Consolidated Statement of Cash Flows | 18 |
| Notes to the Consolidated Financial Statements | 19 |
| Directors' Declaration | 36 |
| Independent Audit Report | 37 |
| ASX Additional Information | 41 |

Directors' Report

Your directors submit 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 year ended 30 June 2022.

DIRECTORS

The names and details of the Group's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Benjamin Chow, AO, BE (Executive Chairman (appointed 4 February 2021), member of audit committee and member of the remuneration and nomination committee)

Benjamin, aged 74 years, is a distinguished Australian citizen who was born and educated in China, emigrating to Australia in 1962. He has a business background in engineering, property development and leadership in the Chinese and Australian financial sectors.

He chaired the Council for Multicultural Australia which assists the Australian Government implement its multicultural policies. He has previously served as President of Australian Chinese Community Association of NSW, President of Chinese Australian Forum of NSW and Vice-president of the Ethnic Communities Council of NSW. He is a past member of the Council of National Museum of Australia, a member of the Bond University Council, President of Sydney University Nerve Research Foundation, a Trustee and immediate past Chairman of Australian Chinese Charity Foundation and a Director of Chain Reaction Foundation Ltd.

Within the last 3 years, prior to his reappointment on 4 February 2021, Mr Chow was also a former director of Mindax Limited having resigned on 8 April 2020 (appointed 6 October 2009).

Qinglong Zeng, (Non-Executive Director (appointed 19 June 2019), Chair of audit committee from 11 November 2021, member of remuneration and nomination committee)

Qinglong, aged 37 years, is an Australian citizen who was born in China and has a background in construction and property development businesses both in China and Australia.

Mr Zeng has not held any other public company directorships in the last 3 years.

Biaozhun Zhu, (Non-Executive Director (appointed 8 April 2020), Chair of remuneration and nomination committee from 11 November 2021, member of audit committee from 11 November 2021)

Biaozhun, aged 39 years, has more than 15 years' experience in the hospitality industry, where he has owned and operated several successful businesses in Australia and China.

Mr Zhu has not held any other public company directorships in the last 3 years.

Kgai Mun Loh was a director, Chair of the audit committee, and Chair of the remuneration and nomination committee from the beginning of the financial year until his retirement on 10 November 2021.

Yonggang Li was a director and member of the audit committee from the beginning of the financial year until his retirement on 10 November 2021.

COMPANY SECRETARY

Dennis Wilkins, B.Bus, MAICD, ACIS

Mr Wilkins is the founder and principal of DWCorporate Pty Ltd a leading privately held corporate advisory firm servicing the natural resources industry. Since 1994 he has been a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the group. He was also founding director and advisor to Atlas Iron Limited at the time of Atlas' initial public offering in 2006.

Since July 2001 Mr Wilkins has been running DWCorporate Pty Ltd where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector. Mr Wilkins is currently a non-executive director of Key Petroleum Ltd since 5 July 2006. Within the last 3 years Mr Wilkins is a former alternate director of Middle Island Resources Ltd (appointed 1 May 2010, resigned 31 January 2021).

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the relevant interests of the directors in the shares of Mindax Limited were:

| | Ordinary Shares |
|---------------|-----------------|
| Benjamin Chow | 6,196,000 |
| Qinglong Zeng | 25,565,000 |
| Biaozhun Zhu | - |

Directors' Report continued

PRINCIPAL ACTIVITIES

During the year, the Group's principal activity was mineral exploration. There was no significant change in the nature of the Group's activities during the year.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

REVIEW OF OPERATIONS

Activities during the year were focussed on assessing the Company's existing projects, reviewing new opportunities, and securing additional funding.

Meekatharra Gold Project

Phase 1 of the drilling programme at the Meekatharra Gold Project (refer ASX announcement of 28 June 2021) was completed during the June 2021 quarter. During the June 2022 quarter the Company completed a high-resolution sub-audio magnetic (SAM) ground geophysical survey over the project that identified eighteen target areas. The survey has provided high-resolution mapping of the structures of the project area, which are the controls on gold mineralisation. This information has provided a structural framework and increased the Company's confidence in its geological and structural understanding of E51/1705.

The Company continues to assess information gained from the SAM geophysical survey to interpret the geological prospectivity of the project. Tenure for this project is current and secure.

Mt Forrest Iron Project

Full form agreements concerning an earn-in and joint venture over the Mt Forrest Project were finalised during the year as contemplated in the Binding Heads of Agreement (**Norton Gold Transaction**) (refer 31 December 2020 Activities Report released to ASX on 1 February 2021 for full details). The Company, Norton Gold Fields Pty Ltd (**Norton Gold**) and the Company's wholly owned subsidiary Yilgiron Pty Ltd (**Yilgiron**) executed a Subscription Agreement, Shareholders Agreement, Management Agreement and other associated documents on 22 July 2021 (refer ASX release 22 July 2021 for full details).

The Norton Gold Transaction was formally completed on 28 September 2021 (refer ASX release 28 September 2021 for full details). Norton Gold has subscribed for, and been issued, securities in Yilgiron, in accordance with the subscription agreement dated 22 July 2021 between Mindax, Norton Gold and Yilgiron (**Subscription Agreement**), and the parties have formed an incorporated joint venture for the purposes of continuing exploration on and achieving the earning conditions for the Mt Forrest Project.

Norton Gold now holds 19.94% of Yilgiron's ordinary securities and Yilgiron is no longer a wholly owned subsidiary of Mindax. Norton Gold has provided \$20,000,000 to Yilgiron as consideration for the issue of the securities. Upon satisfaction of further earning conditions, Norton Gold may earn up to 51% of the voting shares of Yilgiron.

For more information on the earning conditions, management of the joint venture, and terms and conditions of the transaction agreements governing the joint venture, refer to the Company's ASX announcement dated 22 July 2021 and the Company's notice of meeting dated 16 August 2021 (announced to ASX on 19 August 2021).

Yilgiron and Norton Gold have entered into a management services agreement appointing Norton Gold as the manager of the Mt Forrest Project to provide management services in accordance with the terms of the agreement. Norton Gold's appointment as manager commenced effective upon completion, 28 September 2021.

Norton Gold has commenced exploration activity in accordance with the budget approved by the incorporated joint venture.

During the period following completion, MF1 phase 2 RC drilling was completed comprised of 16 holes for a total of 5,374 m. This infill drilling was intended to enable a Mineral Resource evaluation to be undertaken. Once all DTR results have been returned, a revised geological interpretation accompanied with digital solids of the ore will be updated and then passed onto the independent resource geologist consultant for estimation.

Diamond Drilling commenced early June 2022 with the first hole being completed for 479.1m. The diamond drilling is aimed at providing geotechnical data to determine pit wall angles.

The additional infill drilling will enable the opportunity to update the mineralised ore outlines and complete a new geological interpretation. This new interpretation includes a high-grade ore domain characterised by a cut-off less than 10% Silica and an iron grade greater than 60% Fe from all DTR concentrate assay results received to date. This new interpretation will then be used to undertake a new mineral resource estimation.

Additionally, RC drilling at MF2 comprising 27 holes for a total of 8,457m was completed. The drilling completed phase 2 and 3 focussing on the central and southern area of MF2.

Several DTR assays returned from the southern and central drilling identified a thicker presence of dolerite that crosscuts the iron ridges and magnetite bands.

Approximately 100m further south, the BIF ridges, as mapped, persist at depth with encouraging grades returning several bands but at depth accumulate over 90m down hole width verifying the high-grade magnetite strike continuity.

Surface geological mapping has not been able to identify the extents and the true thickness of a cross cutting Proterozoic dyke which has been intersected along the central MF2 location. The BIF Range is split by this feature however owing to the immense cover, the actual true thickness was unable to be determined by mapping.

Directors' Report continued

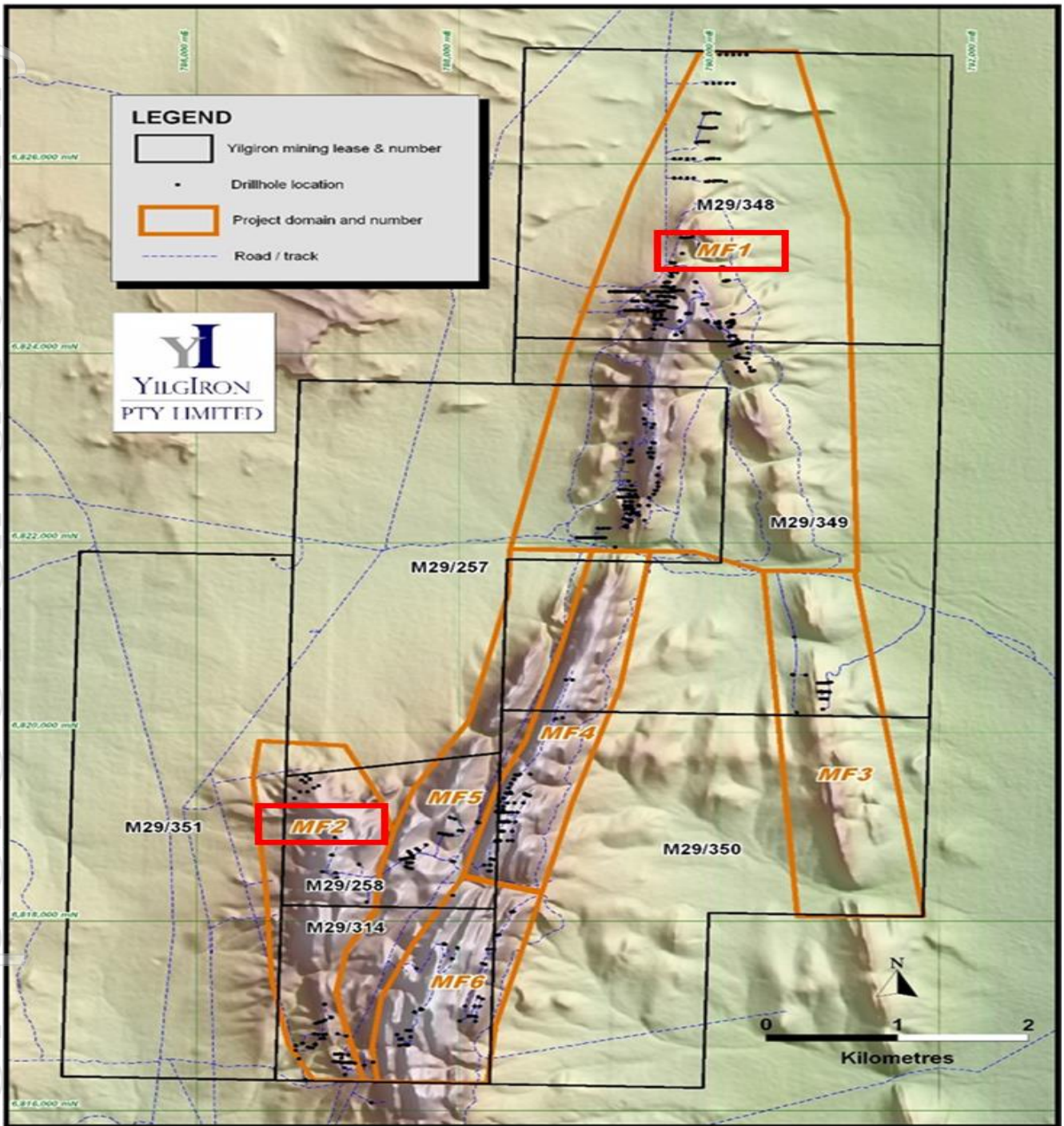


Figure 1 Mt Forrest Project with MF Domain Location Plan

Directors' Report continued

Mineral Resource Summary

There has been no change made to the iron mineral resource inventory this financial year or from the dates noted in the tables.

Regolith Iron

The current near surface goethite-hematite-martite-magnetite resource stands at 27.1 Mt @ 44.0% Fe (12.3 Mt Indicated @ 45.5% Fe and 14.8 Mt Inferred @ 42.7% Fe- above 40% Fe cut-off) and is presented in the table following:

Table 1: Mt Forrest Iron Project –Regolith Mineralisation above a 40% Fe cut-off grade as at September 2013

| Resource Category | Tonnes [Mt] | Fe [%] | SiO ₂ [%] | Al ₂ O ₃ [%] | P [%] | S [%] | LOI [%] |
|---|----------------|-------------|-------------------------|---------------------------------------|-------------|-------------|------------|
| November 2011 Regolith JORC 2004 Indicated | 12.3 | 45.5 | 23.0 | 5.2 | 0.06 | 0.07 | 6.1 |
| November 2011 Regolith JORC 2004 Inferred | 2.4 | 44.8 | 26.4 | 4.5 | 0.05 | 0.06 | 4.6 |
| September 2013 Detrital JORC 2004 Inferred | 12.4 | 42.3 | 19.9 | 11.4 | 0.02 | 0.04 | 6.3 |
| Total JORC 2004 Indicated and Inferred | 27.1 | 44.0 | 21.9 | 8.0 | 0.04 | 0.06 | 6.0 |

Note: Totals are subject to rounding.

Magnetite Iron

The current primary magnetite resource stands at 1.71 billion tonnes @ 31.8% Fe (248.2 Mt @ 32.6% Fe Indicated and 1,462.4 Mt @ 31.6% Fe Inferred). This table summarises the reported consolidated magnetite resource at a 25% Fe cut-off, noting that approximately 75% of the inferred resource should be considered as extrapolated and is presented as follows:

Table 2: Mt Forrest Iron Project –Magnetite Mineralisation above a 25% Fe cut-off grade as at July 2012

| Resource Category | Tonnes [Mt] | Fe [%] | SiO ₂ [%] | Al ₂ O ₃ [%] | P [%] | S [%] | LOI [%] |
|---|----------------|-------------|-------------------------|---------------------------------------|-------------|-------------|------------|
| July 2012 JORC 2004 Indicated | 248 | 32.6 | 47.0 | 1.7 | 0.06 | 0.12 | 1.1 |
| July 2012 JORC 2004 Inferred | 1,462 | 31.6 | 47.9 | 1.8 | 0.04 | 0.10 | 2.2 |
| Total JORC 2004 Indicated and Inferred | 1,711 | 31.8 | 47.7 | 1.8 | 0.05 | 0.10 | 2.0 |

Note: Totals are subject to rounding.

Review of material changes

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Governance controls

All Mineral Resource estimates are prepared by qualified professionals following JORC Code compliant procedures and follow standard industry methodology for drilling, sampling, assaying, geological interpretation, 3-dimensional modelling and grade interpolation techniques.

The Mineral Resource estimates were calculated by a suitably qualified consultant and overseen by a suitably qualified Mindax Limited employee and/or consultant.

Competent Person Statement

The Mineral Resource estimates were completed in 2011 and 2012 and reported in accordance with the 2004 JORC Code. Table 1 and Table 2 summarise the magnetite, regolith and detrital estimates reported above cut-off. These estimates have not been updated by Mindax to report in accordance with the 2012 edition of the JORC Code on the basis that there has been no material change to the information since it was last reported. CSA Global have accepted this assertion and assessed these estimates and formed their conclusions in accordance with JORC 2012 reporting criteria.

The information relating to Mineral Resources in the 2022 Annual Report has been compiled under the supervision of Ms Ivy Chen. Ms Chen is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Chen is a full-time employee of CSA Global Pty Ltd and has reviewed the Mineral Resource work completed and consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.

The information in this report that relates to exploration results is extracted from the Company's ASX announcements noted in the text of the report which are available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that the form and context in which the competent person's findings are presented have not been materially altered.

Directors' Report continued

Corporate

During the year, the Company raised additional funds with a view to advance the Company and increase shareholder returns.

During the year, placements from unrelated parties totalling 25,761,905 ordinary shares were completed raising a total of \$1,250,000 cash. A total of 32,000,000 ordinary shares were also issued during the year in satisfaction of introduction fees totalling \$160,000 associated with the Norton Gold Transaction.

The Company's securities have been suspended from trading on ASX since 1 March 2022.

Finance Review

The Group began the financial year with a cash reserve of \$1,188,618. During the year, placements from unrelated parties totalling 14,761,905 ordinary shares were completed raising a total of \$700,000 cash.

Following completion of the Norton Gold Transaction during the year, the Group has recognised a gain of \$14,776,370 upon deconsolidation of Yilgiron, refer to note 9(c) for details.

During the year total exploration expenditure incurred by the Group amounted to \$101,586 (2021: \$464,492). In line with the Company's accounting policies, exploration expenditure is capitalised. Net administration, corporate and depreciation expenditure incurred amounted to \$1,085,870 (2021: \$1,131,604) and the Group recognised its share of the net losses of investment in associate of \$270,893 (2021: n/a). This has resulted in an operating profit after income tax for the year ended 30 June 2022 of \$13,419,607 (2021: \$1,131,604 loss).

At 30 June 2022, surplus funds available totalled \$1,681,585.

Operating Results for the Year

Summarised operating results are as follows:

| | 2022 | |
|--|------------------------------|------------|
| | Revenues and Other Income | Results |
| | \$ | \$ |
| Consolidated entity revenues and other income and profit before income tax expense | 14,836,332 | 13,419,607 |

Shareholder Returns

| | 2022 | 2021 |
|---|------|-------|
| Basic and diluted earnings/(loss) per share (cents) | 0.7 | (0.1) |

Risk Management

The board is responsible for ensuring that risks, and opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year was as follows:

- During the year the Company completed the Norton Gold Transaction resulting in the deconsolidation of Yilgiron from the Group.
- During the year, placements from unrelated parties totalling 25,761,905 ordinary shares were completed raising a total of \$1,250,000 cash.
- During the year, a total of 32,000,000 ordinary shares were issued as consideration for services to the value of \$160,000.
- Mr Eric Loh and Mr Yonggang Li retired as Directors on 10 November 2021.
- The Company's securities were suspended from trading on the ASX from 1 March 2022.

Directors' Report continued

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

During July 2022 the Company executed and completed an agreement to acquire a 100% legal and beneficial interest in granted exploration licence E38/3336 (Mt Lucky). Under the terms of the agreement the Company acquired a 100% interest for a cash payment of \$80,000.

During August 2022 the Company issued 25,000,000 fully paid ordinary shares for proceeds of \$1,250,000 to exempt investors. Also subsequent to the reporting date the Company has issued a total of 2,500,000 fully paid ordinary shares as consideration for consulting services classified as share issue costs totalling \$125,000.

No other matters or circumstances have arisen since 30 June 2022, 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 years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

REMUNERATION REPORT (AUDITED)

The information provided in this audited remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The key management personnel covered in this report are:

| | |
|---------------|--|
| Benjamin Chow | Executive Chairman |
| Qinglong Zeng | Non-Executive Director |
| Biaozhun Zhu | Non-Executive Director |
| Kgai Mun Loh | Non-Executive Director from the beginning of the year until 10 November 2021 |
| Yonggang Li | Non-Executive Director from the beginning of the year until 10 November 2021 |

Principles used to determine the nature and amount of remuneration

Remuneration Policy

From 11 November 2021 the Remuneration Committee is comprised of Mr Zhu as chairman and Messrs Chow and Zeng. Prior to this date the Remuneration Committee was comprised of Mr Loh as chairman and Messrs Chow and Zeng. The remuneration policy of Mindax Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. All short-term incentives are decided at board level. The Board of Mindax Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives, if any, who receive a salary from the Company also receive a superannuation guarantee contribution as required by the government, which was 10% for the 2022 financial year, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using either the Black-Scholes or Binomial methodologies.

Directors' Report continued

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$400,000 approved at the 2010 AGM). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and can participate in the employee option plan.

Directors are also entitled to Committee Fees, payable to members of the Audit and Remuneration Committees. The Board has agreed to fees of \$2,500 per annum for each member of a committee, and \$5,000 per annum for the Chairman of each committee.

Performance based remuneration

At this stage, the Group's remuneration of key management personnel (excluding directors) does not include any performance conditions. The Board believes that at this stage of the Group's development, linking remuneration to financial performance indicators such as share price, revenue or profit for these personnel is inappropriate. This may change once the Group commences production.

In relation to non-executive directors, the Board believes that a portion of the remuneration package for the non-executive directors should be linked to some form of financial performance indicator, such as share price, from time to time, as determined by the Board. In this regard, options over unissued shares provide a performance linked incentive component in the remuneration package for non-executive directors to motivate and reward their performance. No options were granted during the 2022 or 2021 financial years.

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives, including the occasional issue of options to directors and executives which is to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

The table below shows the gross revenue, losses and earnings per share for the last five years for the listed entity.

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|-----------------------------------|--------------------|-------------|--------------------|--------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Revenue and other income | 14,836,332 | 775,884 | 9 | 69 | 10,012 |
| Net profit/(loss) | 13,419,607 | (1,131,604) | (586,112) | (755,191) | (596,167) |
| Earnings/(loss) per share (cents) | 0.7 | (0.1) | (0.1) | (0.1) | (0.1) |
| Share price at year end (cents) | 5.9 ⁽¹⁾ | 7.0 | 0.3 ⁽²⁾ | 0.3 ⁽²⁾ | 0.8 |

No dividends have been paid.

- (1) The Company's securities have been suspended from trading on the ASX since 1 March 2022. The price quoted was the price of the last trade prior to suspension.
- (2) The Company's securities were suspended from trading on the ASX from 26 June 2019 till 14 May 2021. The price quoted was the price of the last trade prior to suspension.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2022.

Voting and comments made at the Company's 2021 Annual General Meeting

The Company received 100% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Directors' Report continued

Details of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

No remuneration paid to key management personnel of the Group was linked to performance in the 2022 and 2021 financial years.

Key management personnel of the Group

| | Short-Term | | | Post Employment | Termination | Share-Based | Total | Percentage Relevant to Share-Based |
|--|---------------|-------------------|-------|-----------------|----------------------|-------------|---------|------------------------------------|
| | Salary & Fees | Non-Cash benefits | Other | Super-annuation | Termination benefits | Payments | | Payments |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Directors | | | | | | | | |
| Benjamin Chow ⁽¹⁾ | | | | | | | | |
| 2022 | 257,000 | - | - | 12,500 | - | - | 269,500 | - |
| 2021 | 182,521 | - | - | 4,799 | - | - | 187,320 | - |
| Qinglong Zeng | | | | | | | | |
| 2022 | 30,694 | - | - | 3,069 | - | - | 33,763 | - |
| 2021 | 28,990 | - | - | 2,754 | - | - | 31,744 | - |
| Biaozhun Zhu | | | | | | | | |
| 2022 | 29,792 | - | - | 2,979 | - | - | 32,771 | - |
| 2021 | 26,490 | - | - | 2,517 | - | - | 29,007 | - |
| Kgai Mun Loh (retired 10 November 2021) | | | | | | | | |
| 2022 | 20,500 | - | - | 2,010 | - | - | 22,510 | - |
| 2021 | 73,583 | - | - | 6,990 | - | - | 80,573 | - |
| Yonggang Li (retired 10 November 2021) | | | | | | | | |
| 2022 | 10,000 | - | - | 1,000 | - | - | 11,000 | - |
| 2021 | 27,500 | - | - | 2,613 | - | - | 30,113 | - |
| Total key management personnel compensation | | | | | | | | |
| 2022 | 347,986 | - | - | 21,558 | - | - | 369,544 | - |
| 2021 | 339,084 | - | - | 19,673 | - | - | 358,757 | - |

(1) For the period 1 July 2020 to 4 February 2021 Mr Chow was not a director of the Company and during this period he continued in the role of Chief Executive Officer and was classified as other Key Management Personnel. Amounts disclosed include all remuneration paid to Mr Chow in his capacity either as a director or as other KMP.

Service agreements

The details of service agreements of the key management personnel of Mindax Limited and the Group are as follows:

Benjamin Chow, Executive Chairman and Chief Executive Officer:

- Term of agreement – 2 years commenced 1 June 2014, and currently remains in place under the same terms.
- Monthly consultancy fees of \$10,000, plus GST, are paid to BMTC Pty Limited, a company controlled by Mr Chow for Mr Chow's role as CEO, plus \$1,000, plus GST, per month to cover use of Mr Chow's equipment including computers, printers, communication equipment and consumables.
- The above fee is in addition to Mr Chow's Chairman fees (\$120,000 per annum), and committee fees, as outlined in the 'remuneration policy' above, which do not cover executive duties.

Kgai Mun Loh, Non-Executive Director until retirement on 10 November 2021:

- Term of agreement – ongoing, commenced 1 January 2016.
- Monthly consultancy fees of \$2,000 for services rendered.
- The above fee is in addition to Mr Loh's non-executive director fees, and committee fees as outlined in the 'remuneration policy' above, which do not cover executive duties.

None of the other directors or key management personnel have service agreements in place.

Directors' Report continued

Share-based compensation

Options

Options may be issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria but are issued to the majority of directors and executives of Mindax Limited to increase goal congruence between executives, directors and shareholders. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company. There were no options granted to or vesting with key management personnel during the year.

Ordinary Shares

No ordinary shares in the Company have been provided as a result of the exercise of remuneration options to each director of Mindax Limited and other key management personnel of the Group during the year.

Equity instruments held by key management personnel

Share holdings

The numbers of shares in the Company held during the financial year by each director of Mindax Limited and other key management personnel of the Group, including their personally related parties, and any nominally held, are set out below. There were no shares granted during the reporting period as compensation.

| 2022 | Balance at start of the year | Received during the year on the exercise of options | Other changes during the year | Balance at end of the year ⁽²⁾ |
|---|---------------------------------|---|----------------------------------|--|
| Directors of Mindax Limited | | | | |
| Ordinary shares | | | | |
| Benjamin Chow | 10,196,000 | - | - | 10,196,000 |
| Qinglong Zeng | 25,565,000 | - | - | 25,565,000 |
| Biaozhun Zhu | - | - | - | - |
| Kgai Mun Loh (retired 10 November 2021) | - | - | _(1) | - |
| Yonggang Li (retired 10 November 2021) | 5,000,000 | - | (5,000,000) ⁽¹⁾ | - |

(1) Balances are at the respective dates of cessation where not in the position for the full reporting period.

(2) At year end there are no nominally held shares.

Other transactions with key management personnel

During the 2021 financial year the directors and a former director agreed to unconditionally forgive, for no consideration, 80% of fees accrued from 1 April 2015 to 31 December 2020. The total amount of fees forgiven was \$775,805, as noted as 'Other income' on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, with the remaining balance paid during the 2021 financial year. Amounts forgiven are detailed below:

| | 2022 \$ | 2021 \$ |
|---------------------------------------|------------|----------------|
| Benjamin Chow | - | 241,066 |
| Kgai Mun Loh | - | 194,710 |
| Yonggang Li | - | 152,867 |
| Qinglong Zeng | - | 35,348 |
| Biaozhun Zhu | - | 16,878 |
| Former director | - | 134,936 |
| Total directors' fees forgiven | - | 775,805 |

No fees were forgiven, or other transactions occurred with key management personnel during the 2022 financial year.

End of audited Remuneration Report

SHARES UNDER OPTION

There are no unissued ordinary shares of Mindax Limited under option at the date of this report.

INSURANCE OF DIRECTORS AND OFFICERS

The Group has paid premiums to insure directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the Group, other than conduct involving a wilful breach of duty in relation to the Group.

Directors' Report continued

DIRECTORS' MEETINGS

During the year the Company held three meetings of directors. The attendance of directors at meetings of the board were:

| | Committee Meetings | | | | | |
|---|--------------------|---|-------|---|---------------------------|---|
| | Directors Meetings | | Audit | | Remuneration & Nomination | |
| | A | B | A | B | A | B |
| Benjamin Chow | 3 | 3 | - | - | - | - |
| Qinglong Zeng | 3 | 3 | - | - | - | - |
| Biaozhun Zhu | 3 | 3 | - | - | - | - |
| Kgai Mun Loh (retired 10 November 2021) | 1 | 1 | - | - | - | - |
| Yonggang Li (retired 10 November 2021) | 1 | 1 | - | - | * | * |

Notes

A - Number of meetings attended.

B - Number of meetings held during the time the director held office during the year.

* - Not a member of the relevant Committee.

Whilst neither the Audit nor Remuneration Committee's held meetings during the year, their duties were discharged through alternative means as required.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, BDO Audit (WA) Pty Ltd or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

BDO Audit (WA) Pty Ltd or associated entities received or are due to receive the following amounts for the provision of non-audit services:

| | 2022 | 2021 |
|--|---------------|--------------|
| | \$ | \$ |
| Tax compliance and advisory services | 11,900 | 4,466 |
| Total remuneration for non-audit services | 11,900 | 4,466 |

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

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 13.

Signed in accordance with a resolution of the directors.



Benjamin Chow

Executive Chairman

Perth, 29 September 2022

DECLARATION OF INDEPENDENCE BY MELISSA REID TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor of Mindax Limited for the year ended 30 June 2022, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Melissa Reid
Director

BDO Audit (WA) Pty Ltd
Perth
29 September 2022

Corporate Governance Statement

Mindax Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Mindax Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2022 Corporate Governance Statement was approved by the Board on 29 September 2022 and is current as at 29 September 2022. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.mindax.com.au.

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income

| YEAR ENDED 30 JUNE 2022 | Notes | 2022 \$ | 2021 \$ |
|--|-------|-------------------|--------------------|
| REVENUE AND OTHER INCOME | | | |
| Interest | 4 | - | 79 |
| Other income | 4 | 59,962 | 775,805 |
| Gain on disposal of subsidiary | 9(c) | 14,776,370 | - |
| EXPENDITURE | | | |
| Administration expenses | | (66,757) | (56,558) |
| Corporate expenses | | (826,148) | (1,604,640) |
| Depreciation expense | 11 | (945) | (1,109) |
| Exploration expenditure expensed | | (21,696) | - |
| Salaries and employee benefits expense | | (230,286) | (245,181) |
| Share of net losses of investment accounted for using the equity method | 10(a) | (270,893) | - |
| PROFIT/(LOSS) BEFORE INCOME TAX | | 13,419,607 | (1,131,604) |
| INCOME TAX EXPENSE | 6 | - | - |
| PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF MINDAX LIMITED | | 13,419,607 | (1,131,604) |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF MINDAX LIMITED | | 13,419,607 | (1,131,604) |
| EARNINGS/(LOSS) PER SHARE FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF MINDAX LIMITED | | | |
| Basic and diluted earnings/(loss) per share (cents per share) | 23 | 0.7 | (0.1) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

| AT 30 JUNE 2022 | Notes | 2022 \$ | 2021 \$ |
|---|-------|-------------------|--------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | 1,681,585 | 1,188,618 |
| Trade and other receivables | 8 | - | 167,124 |
| Prepayments | | 8,504 | 8,613 |
| TOTAL CURRENT ASSETS | | 1,690,089 | 1,364,355 |
| NON-CURRENT ASSETS | | | |
| Investments accounted for using the equity method | 10 | 16,800,157 | - |
| Plant and equipment | 11 | 6,548 | 7,493 |
| Other assets | | - | 2,885 |
| Exploration and evaluation assets | 12 | 481,267 | 2,875,979 |
| TOTAL NON-CURRENT ASSETS | | 17,287,972 | 2,886,357 |
| TOTAL ASSETS | | 18,978,061 | 4,250,712 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 360,740 | 396,835 |
| TOTAL CURRENT LIABILITIES | | 360,740 | 396,835 |
| TOTAL LIABILITIES | | 360,740 | 396,835 |
| NET ASSETS | | 18,617,321 | 3,853,877 |
| EQUITY | | | |
| Contributed equity | 13 | 49,969,297 | 48,625,460 |
| Reserves | 14 | 871,452 | 871,452 |
| Accumulated losses | | (32,223,428) | (45,643,035) |
| TOTAL EQUITY | | 18,617,321 | 3,853,877 |

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2022

| | Notes | Contributed Equity \$ | Share-based Payments Reserve \$ | Accumulated Losses \$ | Total \$ |
|---|-------|-----------------------------|--|-----------------------------|-------------------|
| BALANCE AT 1 JULY 2020 | | 44,772,188 | 871,452 | (44,511,431) | 1,132,209 |
| Loss for the year | | - | - | (1,131,604) | (1,131,604) |
| TOTAL COMPREHENSIVE LOSS | | - | - | (1,131,604) | (1,131,604) |
| TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS | | | | | |
| Shares issued during the year | 13 | 4,010,647 | - | - | 4,010,647 |
| Share issue transaction costs | 13 | (157,375) | - | - | (157,375) |
| BALANCE AT 30 JUNE 2021 | | 48,625,460 | 871,452 | (45,643,035) | 3,853,877 |
| Profit for the year | | - | - | 13,419,607 | 13,419,607 |
| TOTAL COMPREHENSIVE INCOME | | - | - | 13,419,607 | 13,419,607 |
| TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS | | | | | |
| Shares issued during the year | 13 | 1,410,000 | - | - | 1,410,000 |
| Share issue transaction costs | 13 | (66,163) | - | - | (66,163) |
| BALANCE AT 30 JUNE 2022 | | 49,969,297 | 871,452 | (32,223,428) | 18,617,321 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2022

| | Notes | 2022 \$ | 2021 \$ |
|---|-------|------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments to suppliers and employees | | (1,003,807) | (1,358,649) |
| Payments for exploration expenditure not capitalised | | (21,696) | - |
| Other income received | | 59,962 | - |
| Interest received | | - | 79 |
| NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES | 22(a) | (965,541) | (1,358,570) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Recoupments of/(payments for) exploration expenditure | 12 | 208,508 | (644,860) |
| NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES | | 208,508 | (644,860) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issues of ordinary shares | 13 | 1,250,000 | 3,013,272 |
| NET CASH INFLOW FROM FINANCING ACTIVITIES | | 1,250,000 | 3,013,272 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 492,967 | 1,009,842 |
| Cash and cash equivalents at the beginning of the financial year | | 1,188,618 | 178,776 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 7 | 1,681,585 | 1,188,618 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

30 JUNE 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Mindax Limited and its subsidiaries. The financial statements are presented in the Australian currency. Mindax Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 29 September 2022. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Mindax Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Mindax Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(iii) New accounting standards and interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified, where required, by the measurement at fair value of selected financial assets and financial liabilities.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1(f).

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Mindax Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Interest revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

(e) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Trade and other receivables

Trade and other receivables are recognised at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 to determine any allowances for expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience. The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that the amounts will be received when due.

(i) Financial instruments

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or expenses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income or expenses and impairment losses are presented as a separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income or expenses in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other income or expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology depends on whether there has been a significant increase in credit risk.

(j) Exploration and evaluation costs

Exploration and evaluation expenditures are accumulated in respect of each separate area of interest.

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.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

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 written off in the financial period the decision is made. The carrying value of the Group's projects are reviewed at least annually for appropriateness and to determine if there are any impairment indicators.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are paid on normal commercial terms.

(l) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(m) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the respective taxation authorities, are presented as operating cash flows.

(p) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Exploration expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates consider both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Deconsolidation of subsidiary and investment in associate

Refer to note 9(b) for details of judgements made on the "classification of loss of control", the "fair value on initial recognition of associate" and "indicators of impairment of investment" in relation to the Norton Gold Transaction.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The chief executive officer, with the assistance of advisors as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

(a) Market risk

(i) Foreign exchange risk

As all operations are currently within Australia, the Group is not exposed to any material foreign exchange risk.

(ii) Commodity price risk

Given the current level of operations the Group is not exposed to commodity price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

(b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal (credit rating –AA).

The Group assesses debt instruments carried at cost for any future expected credit losses.

As the Group does not presently have any significant trade receivables, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash is available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that borrowing facilities may be rolled forward.

| | Within 1 Year | | 1 to 5 Years | | Total Contractual Cashflow | |
|--|---------------|---------|--------------|------|----------------------------|---------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial liabilities due for payment | | | | | | |
| Trade and other payables | 360,740 | 396,835 | - | - | 360,740 | 396,835 |
| Total contractual outflows | 360,740 | 396,835 | - | - | 360,740 | 396,835 |

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

2. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Fair value estimation

There were no financial assets or liabilities at 30 June 2022 requiring fair value estimation and disclosure as they are either not carried at fair value or, in the case of short-term financial assets and financial liabilities, their carrying values approximate fair value.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying amounts and estimated fair values of financial assets and financial liabilities are as follows:

| | 2022 | 2021 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash and cash equivalents | 1,681,585 | 1,188,618 |
| Trade and other receivables | - | 167,124 |
| Total Financial Assets | <u>1,681,585</u> | <u>1,355,742</u> |
| Financial Liabilities | | |
| Trade and other payables | 360,740 | 396,835 |
| Total Financial Liabilities | <u>360,740</u> | <u>396,835</u> |

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Receivables/Payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

Fair value measurements of financial assets

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes.

Fair value hierarchy

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. SEGMENT INFORMATION

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. Based on the contents of this report, the 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 year ended 30 June 2022 is as follows:

| | Gold | Iron Ore | Total |
|--|------|------------|------------|
| | \$ | \$ | \$ |
| Year ended 30 June 2022 | | | |
| Total segment revenue and other income | - | 14,505,477 | 14,505,477 |
| Intersegment revenue | - | - | - |
| Revenue and other income from external customers | - | 14,505,477 | 14,505,477 |
| Reportable segment profit | - | 14,505,477 | 14,505,477 |
| Year ended 30 June 2021 | | | |
| Total segment revenue | - | - | - |
| Intersegment revenue | - | - | - |
| Revenue from external customers | - | - | - |
| Reportable segment profit/(loss) | - | - | - |

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

| | Gold \$ | Iron Ore \$ | Total \$ |
|--|------------|----------------|-------------|
| 3. SEGMENT INFORMATION (cont'd) | | | |
| Total segment assets | | | |
| 30 June 2022 | 481,267 | 16,806,705 | 17,287,972 |
| 30 June 2021 | 379,682 | 2,668,618 | 3,048,300 |
| Total segment liabilities | | | |
| 30 June 2022 | 3,826 | - | 3,826 |
| 30 June 2021 | - | 44,952 | 44,952 |

| | 2022 \$ | 2021 \$ |
|---|-------------|-------------|
| Reportable segment assets are reconciled to total assets of the Group as follows: | | |
| Segment assets | 17,287,972 | 3,048,300 |
| Intersegment eliminations | - | - |
| Unallocated | | |
| Cash and cash equivalents | 1,681,585 | 1,188,618 |
| Trade and other receivables | - | 2,296 |
| Prepayments | 8,504 | 8,613 |
| Other non-current assets | - | 2,885 |
| Total assets | 18,978,061 | 4,250,712 |
| Reportable segment liabilities are reconciled to total liabilities of the Group as follows: | | |
| Segment liabilities | 3,826 | 44,952 |
| Intersegment eliminations | - | - |
| Unallocated | | |
| Trade and other payables | 356,914 | 351,883 |
| Total liabilities | 360,740 | 396,835 |
| Reconciliation of reportable segment profit or loss to profit or loss before income tax of the Group is as follows: | | |
| Total profit for reportable segments | 14,505,477 | - |
| Intersegment eliminations | - | - |
| Unallocated | | |
| Interest revenue | - | 79 |
| Other income | 59,962 | - |
| Forgiveness of Directors' fees | - | 775,805 |
| Depreciation expense | (945) | (1,109) |
| Other expenses | (1,144,887) | (1,906,379) |
| Profit/(loss) before income tax | 13,419,607 | (1,131,604) |

4. REVENUE AND OTHER INCOME**Revenue and other income from continuing operations**

| | | |
|--|--------|---------|
| Interest revenue | - | 79 |
| Forgiveness of Directors' fees (note 19) | - | 775,805 |
| Sale of exploration results data | 59,962 | - |

5. EXPENSES**Specific expenses requiring disclosure:**

| | | |
|---|--------|--------|
| Defined contribution superannuation expense | 20,799 | 46,376 |
|---|--------|--------|

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

2022

2021

\$

\$

6. INCOME TAX**(a) Income tax benefit**

Current tax

-

-

Deferred tax

-

-

-

-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit/(loss) from continuing operations before income tax expense

13,419,607

(1,131,604)

Prima facie tax expense/(benefit) at the Australian tax rate of 25% (2021: 30%)

3,354,902

(339,481)

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Gain on disposal of subsidiary

(3,626,369)

-

(271,467)

(339,481)

Movements in unrecognised temporary differences

25,833

(143,768)

Tax effect of current year tax losses for which no deferred tax asset has been recognised

245,634

483,249

Income tax benefit

-

-

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised

44,598,848

43,776,877

Potential tax benefit at 25% (2021: 30%)

11,149,712

13,133,063

(d) Unrecognised temporary differences**Deferred Tax Assets (at 25% (2021: 30%))**

Other temporary differences

4,213

4,065

Carry forward tax losses

11,149,712

13,133,063

Deferred Tax Liabilities (at 25% (2021: 30%))

Capitalised exploration and evaluation expenditure

(120,317)

(862,794)

Net deferred tax assets

11,033,608

12,274,334

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The recoupment of available tax losses as at 30 June 2022 is contingent upon the following:

- (i) The Group deriving future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- (iii) There being no changes in tax legislation which adversely affect the Group from realising the benefit.

7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank and in hand

1,681,585

1,188,618

Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows

1,681,585

1,188,618

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

Sundry debtors

-

167,124

Sundry debtors at 30 June 2021 included an amount of \$164,828 receivable from Norton Gold relating to expenditure that the Group had incurred on behalf of the prospective joint venture in relation to the BHOA.

Sundry debtors are not past due nor impaired, and based on history are expected to be fully recoverable. Information about the Group's exposure to credit risk is provided in note 2.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

9. DECONSOLIDATION OF SUBSIDIARY

(a) Description

On 25 September 2020 the Company executed a Binding Heads of Agreement (**BHOA**) with Norton Gold Fields Pty Ltd (**Norton Gold**) concerning an Earn-In Agreement and Joint Venture over the Mt Forrester Iron Project (**Project**), where Norton Gold will earn a 19.9% joint venture interest by sole funding \$20 million of joint venture expenditure (**Norton Gold Transaction**). On 22 July 2021 formal agreements relating to the Norton Gold Transaction were executed between the Company, Norton Gold and the Company's wholly owned subsidiary Yilgiron Pty Ltd (**Yilgiron**), including a Subscription Agreement, Shareholders Agreement, Management Agreement and other associated documents. The Norton Gold Transaction was formally completed on 28 September 2021 (**Completion**).

Norton Gold has subscribed for, and been issued, securities in Yilgiron, in accordance with the Subscription Agreement, and the parties have formed an incorporated joint venture (being Yilgiron) for the purposes of continuing exploration on and achieving the earning conditions for the Project. Norton Gold paid Yilgiron \$20,000,000 as consideration for the following securities: 249 ordinary shares; 290 Class B shares; and, 502 Class C shares. At Completion, Norton Gold holds 19.94% of Yilgiron's ordinary securities, with MDX holding the balance of 80.06%.

With effect on and from Completion the Yilgiron board was reconfigured from the existing three directors (all directors of Mindax) to five directors (two nominated by Mindax and three nominated by Norton Gold), with Norton Gold having control of the operations of Yilgiron through the board (except for a number of decisions which require unanimous approval of the shareholders, including disposal of tenements, changes to security rights, taking steps to list securities of Yilgiron on a stock exchange and certain related party transactions) during the earning period. Hence, from Completion, Mindax has deconsolidated its former subsidiary Yilgiron, who is now classified as an associate of Mindax.

Mindax's continuing investment in Yilgiron will be treated as an investment accounted for using the equity method. The fair value upon initial recognition of this investment has been determined as Mindax's share, based on the proportion of ordinary securities held, of the Subscription Price that Norton Gold paid for the securities allotted in accordance with the Subscription Agreement. Subsequently, Mindax will recognise its share of the associate's profit or loss and other comprehensive income in accordance with the Company's existing accounting policies.

Upon satisfaction of further earning conditions, Norton Gold may earn up to 51% of the voting shares of Yilgiron. Class B shares and Class C shares rank equally with each other but behind the ordinary shares of Yilgiron and confer no voting or other rights on their holder (other than on winding up / return of capital and as otherwise as conferred by their terms or under law). Upon satisfaction of earning conditions, the number of securities in Yilgiron stays the same, however, the number of voting shares on issue will change (via the automatic variation of the rights of the Class B shares or the Class C shares) and the proportion of voting shares held by each shareholder will change. If the earning conditions are both satisfied and assuming no other changes to the issued capital of Yilgiron, Norton Gold will hold 51% of the voting shares of Yilgiron.

The Class B shares are subject to the Second Earning Condition being, a final report complying with the JORC Code must be issued to Yilgiron that identifies an Indicated Mineral Resource of at least 380 million tonnes of magnetite at 32.6% Fe.

The Class C shares are subject to the Third Earning Condition being, a Pre-Feasibility Study must be delivered to Yilgiron that (for as long as Mindax is listed on the ASX) complies with the requirements for reporting a Pre-Feasibility Study under the Listing Rules applicable to Pre-Feasibility Studies and is a study that satisfies the requirements of a Preliminary Feasibility Study (as that term is defined in the listing rules of the Stock Exchange of Hong Kong). If Yilgiron has decided not to proceed with an IPO, or to proceed with an IPO on a securities exchange other than the Stock Exchange of Hong Kong, the scope of the Pre-Feasibility Study must be substantially similar in all material respects to the scope of a Hong Kong Preliminary Feasibility Study.

Norton Gold has the right, but is not obliged, to cause Yilgiron to undertake work for the purposes of seeking to satisfy the earning conditions. Norton Gold is able to deliver a withdrawal notice prior to the satisfaction of the Second Earning Condition or the Third Earning Condition and would then not be required to provide further funds and would not be able to earn any further interest in ordinary securities in Yilgiron. Norton Gold will retain its 249 ordinary shares issued at Completion and any additional ordinary shares that Norton Gold comes to hold upon satisfaction of an earning condition prior to the date of the withdrawal notice. The consequence of withdrawal is the cancellation of the respective Class B and/or Class C shares for nil consideration. At such time, the voting and participating interests will remain as earned, and the board of Yilgiron will be structured accordingly.

(b) Critical accounting estimates and judgements

Accounting for this transaction has required management to exercise a high degree of judgement over the following areas:

Classification of loss of control

From Completion of the Norton Gold Transaction, by virtue of the contractual rights contained in the Transaction Documents, the appointment of three members to the Yilgiron Board, and the potential voting rights conferred by the Class B and Class C shares, Norton Gold has obtained control of Yilgiron.

By virtue of Norton Gold having obtained control, Mindax has lost control of Yilgiron, resulting in deconsolidation by Mindax of Yilgiron, and the subsequent recognition of an investment in an associate.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

9. DECONSOLIDATION OF SUBSIDIARY (cont'd)

Fair value on initial recognition of associate

The fair value on initial recognition of the Company's retained interest in Yilgiron, which was 80.06% at date of disposal, has been determined using management's judgement on the contractual provisions of the Subscription Agreement. Norton Gold have paid \$20,000,000 for the securities they have been issued by Yilgiron. This amount has been determined as being indicative of the fair value of 100% of Yilgiron at Completion. The Company's share of the fair value, based on its retained interest in Yilgiron, inclusive of tax liabilities transferred on disposal, is \$17,071,050.

Indicators of impairment

The Group assesses whether there is objective evidence that the investment in associate is impaired by reference to one or more events that occurred during a reporting period that would have an impact on the estimated future cashflow of the investment. This includes the assessment of whether facts and circumstances suggest that the Mt Forrest project held in the associate could be impaired together with other factors such as resource estimate. As at 30 June 2022 there were no internal and external indicators to suggest that the investment is impaired.

(c) Details of the gain on deconsolidation of subsidiary

| | 28 September 2021 |
|---|-------------------|
| | \$ |
| Fair value of investment retained in Yilgiron | 17,071,050 |
| Carrying amount of net assets disposed | (2,496,298) |
| Recovery of historical exploration expenditure from Norton Gold post Completion | 201,618 |
| Gain on deconsolidation before income tax | 14,776,370 |
| Income tax | - |
| Net gain on deconsolidation of subsidiary | 14,776,370 |

The carrying amounts of assets and liabilities as at the date of deconsolidation (28 September 2021) were:

| | |
|-----------------------------------|-----------|
| Exploration and evaluation assets | 2,496,298 |
| Total assets | 2,496,298 |
| Net assets | 2,496,298 |

10. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Set out below is the associate of the Group as at 30 June 2022. Yilgiron has been classified as an associate during the current financial year (refer note 9) and the investment is measured using the equity method. Previously Yilgiron was classified as a subsidiary and consolidated in accordance with the accounting policy at note 1(b). Yilgiron has share capital consisting of ordinary shares and Class B and Class C shares, refer to note 9. Yilgiron was incorporated in Australia, which is also its principal place of business. The proportion of ownership interest is the same as the proportion of voting rights held. The percentage of ownership may be diluted upon completion of Earning Conditions as detailed in note 9. Yilgiron is a private exploration company with minerals interests in Australia. It is a strategic investment which holds the Group's Mt Forrest Iron Project.

| Name of entity | % of ownership interest | | Carrying amount | |
|---------------------------------|-------------------------|-------|-----------------|------|
| | 2022 | 2021 | 2022 | 2021 |
| | % | % | \$ | \$ |
| Yilgiron Pty Ltd ⁽¹⁾ | 80.1 | 100.0 | 16,800,157 | - |
| | | | 16,800,157 | - |

(1) Yilgiron is a private entity, there is no quoted price available.

(a) Summarised financial information for associate

The tables below provide summarised financial information for Yilgiron, the Group's associate. The information disclosed reflects the amount presented in the financial statements of Yilgiron and not Mindax Limited's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

| | Notes | 2022 \$ | 2021 \$ |
|--|-------|-------------------|------------|
| 10. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (cont'd) | | | |
| Summarised statement of financial position | | | |
| Total current assets | | 7,039,341 | - |
| Non-current assets | | 16,370,199 | - |
| Current liabilities | | (1,471,911) | - |
| Non-current liabilities | | (953,171) | - |
| Net assets | | <u>20,984,458</u> | - |
| Summarised statement of profit or loss and other comprehensive income | | | |
| Revenue and other income | | 133,338 | - |
| Loss for the period | | (338,362) | - |
| Other comprehensive income | | - | - |
| Total comprehensive loss | | <u>(338,362)</u> | - |
| Dividends received from associate | | - | - |
| Reconciliation of value of investment | | | |
| Opening carrying amount | | - | - |
| Addition of investment in Yilgiron | 9 | 17,071,050 | - |
| Share of associate's loss and other comprehensive income | | (270,893) | - |
| Closing carrying amount | | <u>16,800,157</u> | - |

(b) Contingent liabilities of associate

There are no material contingent liabilities or contingent assets of Yilgiron at reporting date.

| | Plant and Equipment \$ | Campsite \$ | Total \$ |
|---|---------------------------|----------------|--------------|
| 11. NON-CURRENT ASSETS – PLANT AND EQUIPMENT | | | |
| At 1 July 2020 | | | |
| Cost | 1,375 | 37,380 | 38,755 |
| Accumulated depreciation | (1,375) | (28,778) | (30,153) |
| Net book amount | - | 8,602 | 8,602 |
| Year ended 30 June 2021 | | | |
| Opening net book amount | - | 8,602 | 8,602 |
| Depreciation expensed to profit or loss | - | (1,109) | (1,109) |
| Closing net book amount | - | 7,493 | 7,493 |
| At 30 June 2021 | | | |
| Cost | 1,375 | 37,380 | 38,755 |
| Accumulated depreciation | (1,375) | (29,887) | (31,262) |
| Net book amount | - | 7,493 | 7,493 |
| Year ended 30 June 2022 | | | |
| Opening net book amount | - | 7,493 | 7,493 |
| Depreciation expensed to profit or loss | - | (945) | (945) |
| Closing net book amount | - | <u>6,548</u> | <u>6,548</u> |
| At 30 June 2022 | | | |
| Cost | 1,375 | 37,380 | 38,755 |
| Accumulated depreciation | (1,375) | (30,832) | (32,207) |
| Net book amount | - | <u>6,548</u> | <u>6,548</u> |

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

| | | 2022 | 2021 |
|---|-------|--------------------|-----------|
| | Notes | \$ | \$ |
| 12. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS | | | |
| Exploration and evaluation assets | | 481,267 | 2,875,979 |
| Balance at the beginning of the year | | 2,875,979 | 2,411,487 |
| Expenditure incurred | | 101,586 | 464,492 |
| Expenditure disposed upon deconsolidation of Yilgiron | 9(c) | (2,496,298) | - |
| Balance at the end of the year | 12(a) | 481,267 | 2,875,979 |

- (a) The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production.

The carrying value of the Group's projects was reviewed, and no impairment indicators were identified during the 2022 or 2021 financial years in relation to the Group's tenements.

13. CONTRIBUTED EQUITY

| | | 2022 | | 2021 | |
|--|--------------|----------------------|-------------------|------------------|------------|
| | Notes | Number of shares | \$ | Number of shares | \$ |
| (a) Share capital | | | | | |
| Ordinary shares fully paid | 13(b), 13(c) | 1,930,697,680 | 49,969,297 | 1,872,935,775 | 48,625,460 |
| Total contributed equity | | 1,930,697,680 | 49,969,297 | 1,872,935,775 | 48,625,460 |
| (b) Movements in ordinary share capital | | | | | |
| Beginning of the financial year | | 1,872,935,775 | 48,625,460 | 1,040,821,359 | 44,772,188 |
| Issued during the year: | | | | | |
| – Issued for cash at \$0.005 per share ⁽¹⁾ | | - | - | 632,638,416 | 3,013,192 |
| – Issued for cash at \$0.042 per share | | 4,761,905 | 200,000 | - | - |
| – Issued for cash at \$0.05 per share | | 21,000,000 | 1,050,000 | - | - |
| – Issued for cash at \$0.08 per share | | - | - | 1,000 | 80 |
| – Issued as consideration for share issue costs ⁽²⁾ | | - | - | 31,475,000 | 157,375 |
| – Issued as consideration for introduction fees ⁽³⁾ | | 32,000,000 | 160,000 | 168,000,000 | 840,000 |
| Transaction costs incurred ⁽²⁾ | | - | (66,163) | - | (157,375) |
| End of the financial year | | 1,930,697,680 | 49,969,297 | 1,872,935,775 | 48,625,460 |

- (1) As at 30 June 2020 \$150,000 had been received in respect of 30,000,000 ordinary shares that were issued on 16 July 2021.
- (2) On 6 October 2020 the Company issued 3,850,000 ordinary shares, on 9 October 2020 the Company issued 1,400,000 ordinary shares and on 22 January 2021 the Company issued 26,225,000 ordinary shares in consideration for consulting services classified as share issue costs. 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 \$157,375 (excluding GST). These amounts have been recognised in the statement of financial position under transaction costs to share capital.
- (3) On 24 September 2021 the Company issued 32,000,000 ordinary shares (2021: 17 May 2021 the Company issued 100,000,000 ordinary shares and on 8 June 2021 the Company issued 68,000,000 ordinary shares) in part satisfaction of a fee of 5% of the initial earn-in value of the BHOA with Norton Gold payable to the party (unrelated to the Company) who introduced Norton Gold and the transaction to the Company. 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 \$160,000 (2021: \$840,000) (excluding GST). This amount has been expensed to the profit or loss and is included within 'corporate expenses'.

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

2022

2021

\$

\$

13. CONTRIBUTED EQUITY (cont'd)

(d) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2022 and 30 June 2021 are as follows:

| | | |
|-----------------------------|------------------|----------------|
| Cash and cash equivalents | 1,681,585 | 1,188,618 |
| Trade and other receivables | - | 167,124 |
| Prepayments | 8,504 | 8,613 |
| Trade and other payables | (360,740) | (396,835) |
| Working capital position | <u>1,329,349</u> | <u>967,520</u> |

14. RESERVES

Share-based payments reserve

| | | |
|--|----------------|----------------|
| Balance at the beginning of the financial year | <u>871,452</u> | 871,452 |
| Balance at the end of the financial year | <u>871,452</u> | <u>871,452</u> |

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

15. DIVIDENDS

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

16. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Auditors of the Group – BDO Audit (WA) Pty Ltd (“BDO”) and related network firms

Audit services

| | | |
|---|---------------|---------------|
| Audit and review of Group financial reports | <u>40,192</u> | 27,480 |
| Total audit and review of financial reports | <u>40,192</u> | <u>27,480</u> |

Non-audit services

| | | |
|--------------------------------------|---------------|--------------|
| Tax compliance and advisory services | <u>11,900</u> | 4,466 |
| Total other non-audit services | <u>11,900</u> | <u>4,466</u> |

| | | |
|--------------------------------|---------------|---------------|
| Total services provided by BDO | <u>52,092</u> | <u>31,946</u> |
|--------------------------------|---------------|---------------|

17. CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Group at reporting date.

18. COMMITMENTS

Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

| | | |
|---|----------------|------------------|
| Within one year | 33,555 | 699,807 |
| Later than one year but not later than five years | 100,665 | 2,799,228 |
| Later than five years | - | 1,332,504 |
| | <u>134,220</u> | <u>4,831,539</u> |

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

2022

2021

\$

\$

19. RELATED PARTY TRANSACTIONS**(a) Parent entity**

The ultimate parent entity within the Group is Mindax Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 20.

(c) Key management personnel compensation

| | | |
|--------------------------|----------------|----------------|
| Short-term benefits | 347,986 | 339,084 |
| Post-employment benefits | 21,558 | 19,673 |
| Other long-term benefits | - | - |
| Termination benefits | - | - |
| Share-based payments | - | - |
| | 369,544 | 358,757 |

Detailed remuneration disclosures are provided in the remuneration report on pages 8 to 11.

(d) Other transactions with related parties

During the 2021 financial year the directors and a former director agreed to unconditionally forgive, for no consideration, 80% of fees accrued from 1 April 2015 to 31 December 2020. The total amount of fees forgiven was \$775,805, as noted as 'Other income' on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, with the remaining balance paid during the 2021 financial year. Amounts forgiven are detailed below:

| | 2021 |
|---------------------------------------|----------------|
| | \$ |
| Benjamin Chow | 241,066 |
| Kgai Mun Loh | 194,710 |
| Yonggang Li | 152,867 |
| Qinglong Zeng | 35,348 |
| Biaozhun Zhu | 16,878 |
| Former director | 134,936 |
| Total directors' fees forgiven | 775,805 |

20. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

| Name | Country of incorporation | Class of shares | Equity Holding ⁽¹⁾ | |
|---------------------------------|--------------------------|-----------------|-------------------------------|------|
| | | | 2022 | 2021 |
| | | | % | % |
| Mindax Energy Pty Ltd | Australia | Ordinary | 100 | 100 |
| Yilgiron Infrastructure Pty Ltd | Australia | Ordinary | 100 | 100 |
| Yilgiron Pty Ltd ⁽²⁾ | Australia | Ordinary | - | 100 |

(1) The proportion of ownership interest is equal to the proportion of voting power held.

(2) Refer to note 9, Yilgiron was formerly a subsidiary of Mindax Limited but is now classified as an associate that is accounted for using the equity method.

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

Notes

2022

2021

\$

\$

21. EVENTS OCCURRING AFTER THE REPORTING DATE

During July 2022 the Company executed and completed an agreement to acquire a 100% legal and beneficial interest in granted exploration licence E38/3336 (Mt Lucky). Under the terms of the agreement the Company acquired a 100% interest for a cash payment of \$80,000.

During August 2022 the Company issued 25,000,000 fully paid ordinary shares for proceeds of \$1,250,000 to exempt investors. Also subsequent to the reporting date the Company has issued a total of 2,500,000 fully paid ordinary shares as consideration for consulting services classified as share issue costs totalling \$125,000.

No other matters or circumstances have arisen since 30 June 2022, 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 years.

22. CASH FLOW INFORMATION

(a) Reconciliation of net profit/(loss) after income tax to net cash outflow from operating activities

| | | |
|--------------------------------|------------|-------------|
| Net profit/(loss) for the year | 13,419,607 | (1,131,604) |
|--------------------------------|------------|-------------|

Non-Cash Items

| | | |
|--|-------------------|---------|
| Depreciation of non-current assets | 945 | 1,109 |
| Corporate fees settled by the issue of shares | 22(b) 160,000 | 840,000 |
| Net gain on disposal of subsidiary | 9(c) (14,776,370) | - |
| Share of net losses of associate accounted for using the equity method | 270,893 | - |

Change in operating assets and liabilities

| | | |
|--|------------------|--------------------|
| Decrease/(increase) in trade and other receivables | 17,522 | (1,480) |
| Decrease/(increase) in prepayments | 2,994 | (7,475) |
| (Decrease) in trade and other payables | (61,132) | (1,059,120) |
| Net cash outflow from operating activities | <u>(965,541)</u> | <u>(1,358,570)</u> |

(b) Non-cash investing and financing activities

During the 2021 financial year, the Company issued a total of 31,475,000 ordinary shares at an issue price of \$0.005 as consideration for consulting services classified as share issue costs capitalised to the value of \$157,375.

On 24 September 2021 the Company issued 32,000,000 ordinary shares (2021: 17 May 2021 the Company issued 100,000,000 ordinary shares and on 8 June 2021 the Company issued 68,000,000 ordinary shares) in part satisfaction of a fee of 5% of the initial earn-in value of the BHOA with Norton Gold payable to the party (unrelated to the Company) who introduced Norton Gold and the transaction to the Company. 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 \$160,000 (2021: \$840,000) (excluding GST).

23. LOSS PER SHARE

| | Cents | Cents |
|---|----------------------|----------------------|
| (a) Basic and diluted earnings/(loss) per share | | |
| Basic and diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company | 0.7 | (0.1) |
| | \$ | \$ |
| (b) Reconciliation of profit/(loss) used in calculating earnings/(loss) per share | | |
| Profit/(loss) attributable to the owners of the Company used in calculating basic and diluted earnings/(loss) per share | <u>13,419,607</u> | <u>(1,131,604)</u> |
| | Number of shares | Number of shares |
| (c) Weighted average number of shares used as the denominator | | |
| Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share | <u>1,899,949,213</u> | <u>1,391,533,242</u> |

Notes to the Consolidated Financial Statements continued

30 JUNE 2022

2022

2021

\$

\$

24. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Mindax Limited. The information presented here has been prepared using accounting policies consistent with those presented in note 1.

| | | |
|---|-------------------|--------------------|
| Current assets | 1,690,089 | 1,364,355 |
| Non-current assets | 17,287,972 | 2,885,467 |
| Total assets | 18,978,061 | 4,249,822 |
| Current liabilities | 360,740 | 396,835 |
| Total liabilities | 360,740 | 396,835 |
| Contributed equity | 49,969,297 | 48,625,460 |
| Share-based payments reserve | 871,452 | 871,452 |
| Accumulated losses | (32,223,428) | (45,643,925) |
| Total equity | 18,617,321 | 3,852,987 |
| Profit/(loss) for the year | 13,420,497 | (1,131,604) |
| Total comprehensive income/(loss) for the year | 13,420,497 | (1,131,604) |

Directors' Declaration

In the directors' opinion:

- (a) the financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes set out on pages 15 to 35 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- (b) 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;
- (c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2022, comply with Section 300A of the *Corporations Act 2001*; and
- (d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Benjamin Chow
Executive Chairman
Perth, 29 September 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Mindax Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mindax Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting and carrying value of Investment in Associate

| Key audit matter | How the matter was addressed in our audit |
|--|--|
| <p>As disclosed in Note 9 and 10 to the Financial Report, during the year ended 30 June 2022 the Group deconsolidated its subsidiary, Yilgiron Pty Ltd (Yilgiron).</p> <p>Following the disposal transaction, the Group retained an equity interest in Yilgiron and determined that the residual investment shall be accounted for as an Investment in Associate (Associate) in accordance with AASB 128 <i>Investments in Associates and Joint Ventures</i>.</p> <p>Refer to Note 9 to the Financial Report for a description of the accounting policy and significant judgements and estimates applied to the Associate.</p> <p>The Group is required to assess whether any objective evidence of impairment is present which may indicate the Associate may be impaired.</p> <p>This is a key audit matter as the carrying value of the Associate represents a significant asset of the Group and the assessment of its carrying value requires management to exercise judgment in identifying indicators of impairment for purposes of determining whether the recoverable amount of the asset needs to be estimated.</p> <p>Furthermore, the gain on deconsolidation is significant to the current year financial results and requires management judgement and estimate in determining the loss of control of the subsidiary and the fair value of consideration received.</p> | <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reading the relevant agreements to understand the key terms and conditions of the transaction; • Reviewing management's calculation of the gain on disposal by comparing the fair value of consideration to the carrying value of the identified assets and liabilities; • Assessing the reasonableness of management's Associate classification of the retained investment in accordance with the Australian Accounting standards; • Examining Yilgiron's right to tenure over the project held including the corroboration of ownership to third party documentation; • Considering the status of the ongoing exploration programmes by holding discussions with management, and reviewing the Yilgiron' exploration budgets and the Company's ASX announcements and directors' minutes for potential contradictory information compared to management's assessment; • Assessing potential indicators of impairment in accordance with AASB 128, including assessing the Associate's performance outlook and other factors such as economic changes and regulatory developments; • Assessing the market capitalisation of the Company compared to the net asset position of the Company; and • Assessing the adequacy of the related disclosures in Note 9 and 10 to the Financial Report. |

For personal use only

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Mindax Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO



Melissa Reid

Director

Perth

29 September 2022

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 19 September 2022.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

| | | Ordinary shares | |
|---|-----------|-------------------|------------------|
| | | Number of holders | Number of shares |
| 1 | - 1,000 | 72 | 11,766 |
| 1,001 | - 5,000 | 83 | 276,519 |
| 5,001 | - 10,000 | 163 | 1,275,003 |
| 10,001 | - 100,000 | 366 | 13,606,196 |
| 100,001 | and over | 358 | 1,943,028,196 |
| | | 1,042 | 1,958,197,680 |
| The number of shareholders holding less than a marketable parcel of shares are: | | 265 | 1,033,288 |

(b) Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted ordinary shares are:

| | | Listed ordinary shares | |
|----|--|------------------------|-------------------------------|
| | | Number of shares | Percentage of ordinary shares |
| 1 | MS LAI YOU | 201,524,431 | 10.29 |
| 2 | MISS YUHUAN CHEN | 99,942,000 | 5.10 |
| 3 | MS JING WANG | 86,000,000 | 4.39 |
| 4 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 72,357,949 | 3.70 |
| 5 | MONEX BOOM SECURITIES (HK) LTD <CLIENTS ACCOUNT> | 62,062,903 | 3.17 |
| 6 | MR YUFENG ZHUANG | 61,705,522 | 3.15 |
| 7 | TAO ZHANG | 60,000,000 | 3.06 |
| 8 | JIANCHUN YANG | 59,500,000 | 3.04 |
| 9 | YUFENG ZHUANG | 50,000,000 | 2.55 |
| 10 | WANTING CAI | 50,000,000 | 2.55 |
| 11 | JIANHE CHEN | 48,000,000 | 2.45 |
| 12 | MS MEILIAN ZENG | 47,350,000 | 2.42 |
| 13 | TIANYUE LAN | 40,000,000 | 2.04 |
| 14 | QING CHEN | 35,000,000 | 1.79 |
| 15 | LAP EXPLORATION PTE LTD | 32,034,616 | 1.64 |
| 16 | MRS HUI BI YU | 30,400,000 | 1.55 |
| 17 | YISHEN ZHANG | 30,000,000 | 1.53 |
| 18 | QING CHEN | 29,800,000 | 1.52 |
| 19 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 27,428,807 | 1.40 |
| 20 | GUOJIN ZHENG | 25,000,000 | 1.28 |
| | | 1,148,106,228 | 58.63 |

ASX Additional Information continued

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

| | Number of Shares |
|---------------------------------|------------------|
| Andrew Tsang | 52,535,410 |
| Yufeng Zhuang | 23,305,522 |
| HSBC Custody Nominees (Aus) Ltd | 22,663,105 |

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Schedule of interests in mining tenements

| Tenement | Project | Locality | Status | Interest % |
|----------|---------------|-----------------------------|---------|------------|
| M29/257 | Mount Forrest | Mount Forrest - Bulga Downs | Granted | 80.1 |
| M29/258 | Mount Forrest | Mount Forrest - Bulga Downs | Granted | 80.1 |
| M29/314 | Mount Forrest | Mount Forrest | Granted | 80.1 |
| M29/348 | Mount Forrest | Toucan - Bulga Downs | Granted | 80.1 |
| M29/349 | Mount Forrest | Macaw North - Bulga Downs | Granted | 80.1 |
| M29/350 | Mount Forrest | Macaw - Bulga Downs | Granted | 80.1 |
| M29/351 | Mount Forrest | Bulga Downs | Granted | 80.1 |
| E51/1705 | Meekatharra | Meekatharra | Granted | 100 |
| E38/3336 | Mount Lucky | Mount Lucky | Granted | 100 |