



**MONAX  
MINING LIMITED**

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28 April 2017

# Monax Mining Limited

## Quarterly Report

For the quarter ended 31 March 2017

### HIGHLIGHTS

#### Litchfield Lithium Project

- Mining Management Plan submitted for planned 16-hole RC drill program
- Drilling to target four most prospective areas outlined by soil sampling
- Prolonged wet season delays commencement of on-ground exploration

#### Croydon Gold Project

- Modelling of drilling data has highlighted the prospectivity of the Gilded Rose and Jumbo prospects
- Monax commenced field exploration late April with a view to pursue drilling in mid-2017
- Future drill program at Croydon to assist with outlining a potential JORC resource

#### Percyville Gold Project

- Induced polarisation (IP) survey to commence late April 2017
- Follow-up drilling planned for mid-2017 following a review of IP data

## Corporate

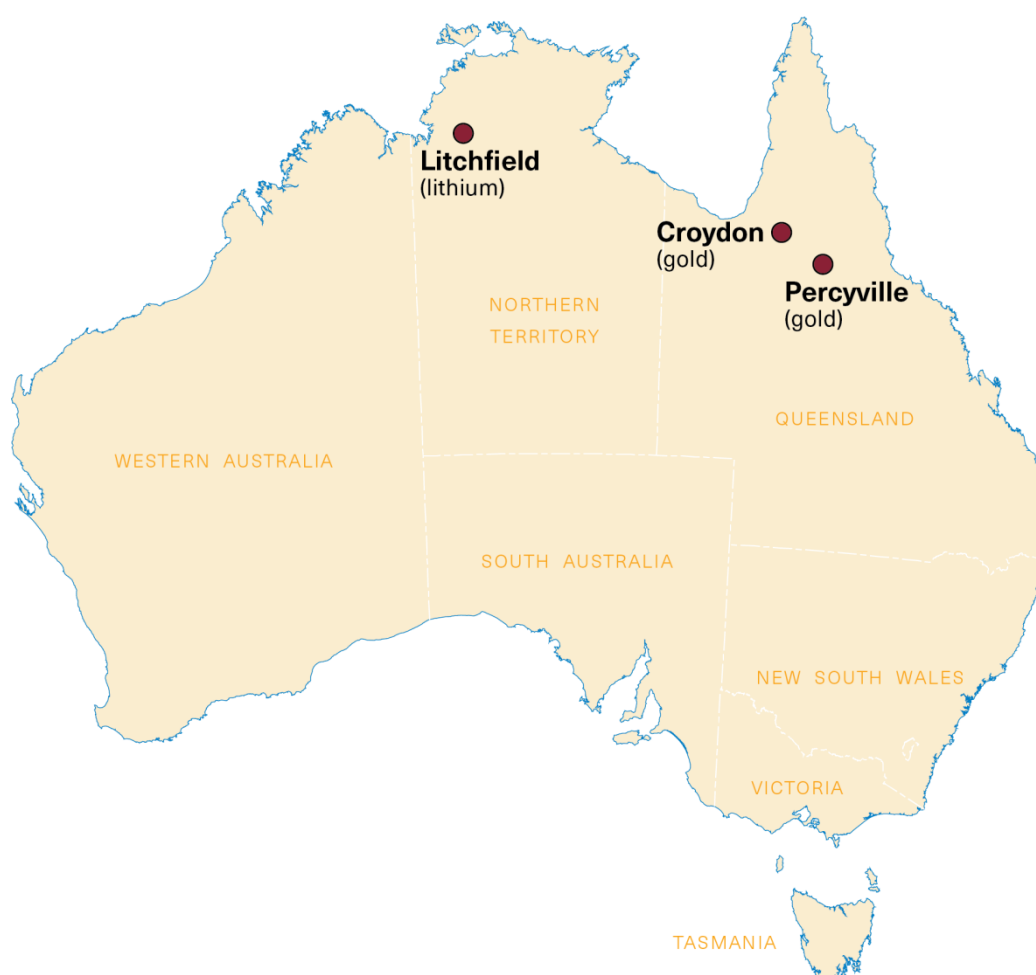
In the three months to 31 March 2017, Monax Mining Limited (**Monax** or the **Company**) (ASX:MOX) has reviewed exploration data collected in 2016 from the Litchfield Lithium Project, Percyville and Croydon Gold Projects and formulated exploration programs to suit.

Monax's three projects are all located in northern Australia and due to a prolonged wet season, access to the tenements has been restricted and hence the delay to on-ground exploration activities. Exploration on the two north Queensland gold projects commenced in late April and planned drilling for the Litchfield project is expected to commence in mid-May.

As at 31 March 2017, Monax has a cash balance of \$0.703 million.

## Exploration

Monax has three current project interests shown below in Figure 1:



**Figure 1:** Location of Monax's projects as of 31 March 2017

## **Litchfield Lithium Project**

During the December quarter, Monax completed a surface sampling program on three Exploration Licences across the Litchfield project, Northern Territory (Figure 2). The project lies approximately 110 kilometres south of Darwin, forming part of the Litchfield Pegmatite belt which is 200km in length and includes the Bynoe Pegmatite Field to the north.

Within the northern part of the Bynoe field amongst areas of historical tin and tantalum mining, recent drilling by peers has discovered significant intersections of spodumene, despite its elusive presence at surface due to strong lateritic weathering (See LTR ASX Releases 14 April 2016 & 26 July 2016).

Following a successful mapping and soil sampling program late in 2016, Monax submitted a Mining Management Plan (MMP) for a 16-hole reverse circulation drilling program and expects approval late April. Monax reviewed the 2016 sampling data and designed an RC drilling program to focus on the four most promising targets. The Tank Hill, Skewes Road, Tin Workings and White Rocks South areas will all be tested, with four RC holes planned for each area (see Figure 2).

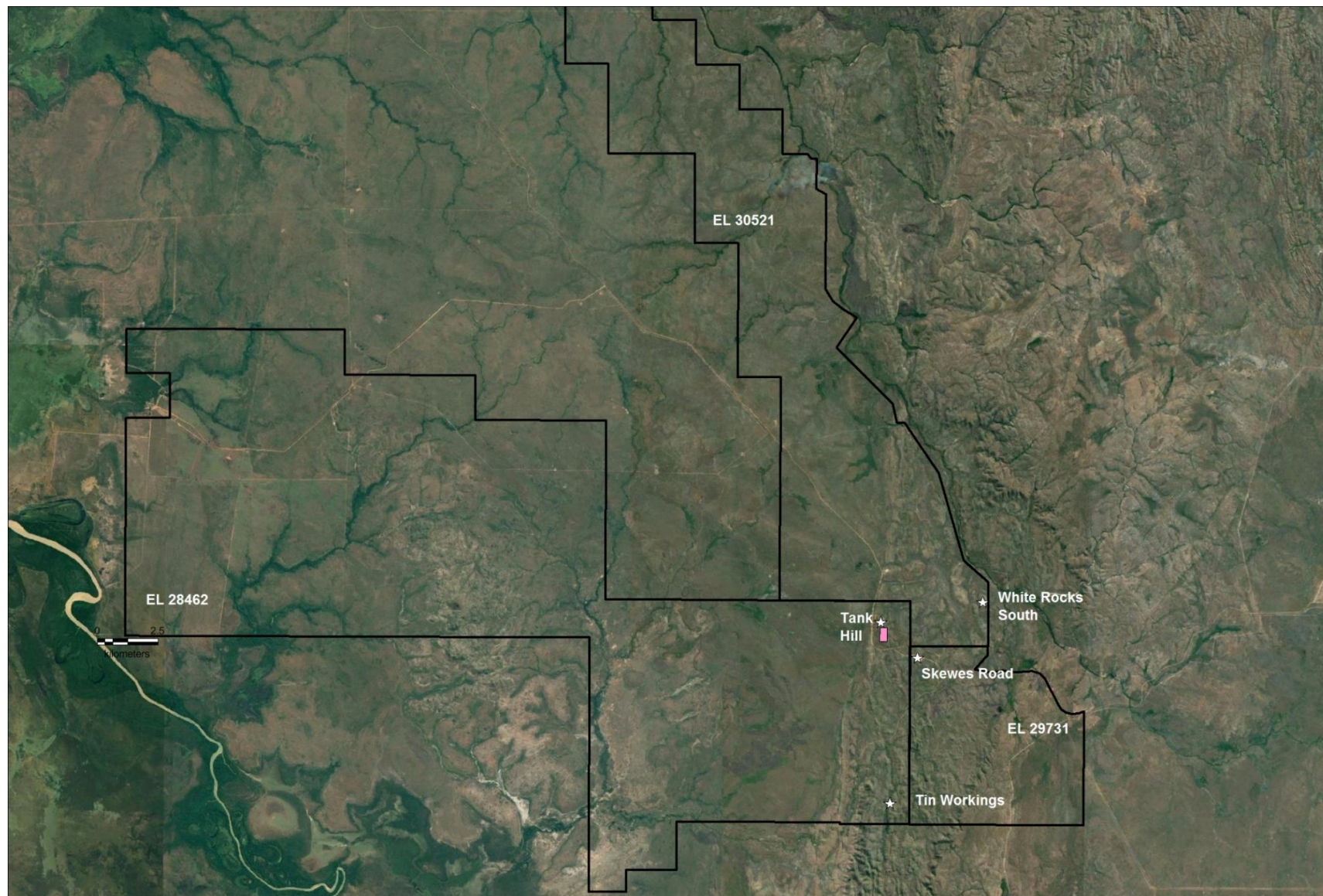
Monax will also undertake further soil sampling in the southern part of the Tank Hill trend (see Figure 3) which is up to 4km in length and contains two parallel pegmatite zones, with some up to 20m wide (see Plate 1). Additional soil sampling will assist in outlining future drilling targets.

Due to a prolonged northern wet season, on-ground exploration at the tenements has been delayed. The drilling program has been postponed and expected to commence mid-May, taking approximately 2-3 weeks to complete.



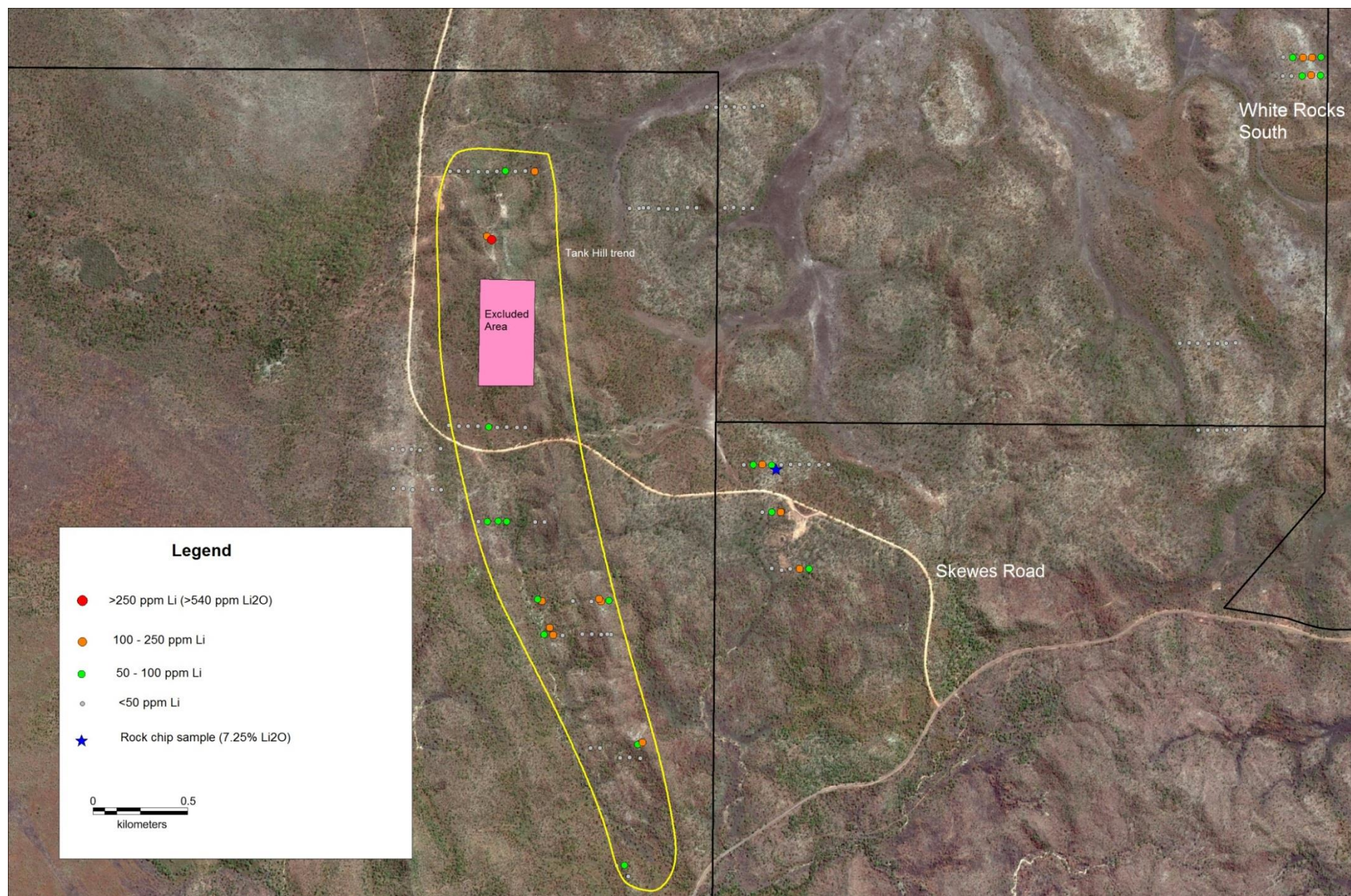
**Plate 1:** Outcropping pegmatite within southern part of Tank Hill trend.





**Figure 2:** General view of project area highlighting 4 areas of anomalous lithium from soil sampling programs targeted for drill testing (background – Google Earth Imagery).





**Figure 3:** General view of soil sampling results for Tank Hill trend and Skewes Road area (background – Google Earth Imagery). Note: results are Li only (to convert to Li<sub>2</sub>O – multiply Li by 2.15).

## **Croydon Gold Project**

The Croydon Gold Project is situated within the northern part of the historical Croydon Goldfields in north-west Queensland and comprises two tenements (Figure 4). During the previous Quarter Monax was granted access to EPM 26203 in the area.

Rock chip sampling at EPM 26038 conducted during 2016 provided encouraging results, with gold up to 81g/t reported (see ASX Release 29 June 2016 for details). A review of historical drilling on EPM 26203 show positive results with best intercepts of 15m @ 6.38g/t (GRRC017 35 - 50m) and 9m @ 8.2g/t (GRRC025 67-76m).

Note: This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Additionally, all lengths are downhole lengths; true width unknown.

Monax commenced field work in late April 2017 consisting of field mapping and sampling at the Gilded Rose and Jumbo prospects following the review of previous drilling information, to subsequently design a drilling program aimed at potentially outlining a 2012 JORC Resource for the prospects (see Figure 5). The review of available information has shown that gold mineralisation at Gilded Rose and Jumbo is hosted within steeply dipping quartz veins which have been intersected by historical drill holes (see Figure 6).

Initial field work has also commenced at the other known gold prospects, initially comprising detailed mapping and sampling at Vanderbilt – Blue Jacket reef systems (Figure 4) and Sarina Gem prospect. Vanderbilt is the northernmost prospect on a trend over 1 km in length with historical production that has yet to be drill tested. Further work is also anticipated at Lost Chance where initial rock chip sampling reported anomalous gold up to 21 g/t (see ASX Release 29 June 2016 for details).

Follow-up drill programs are planned for mid-2017.



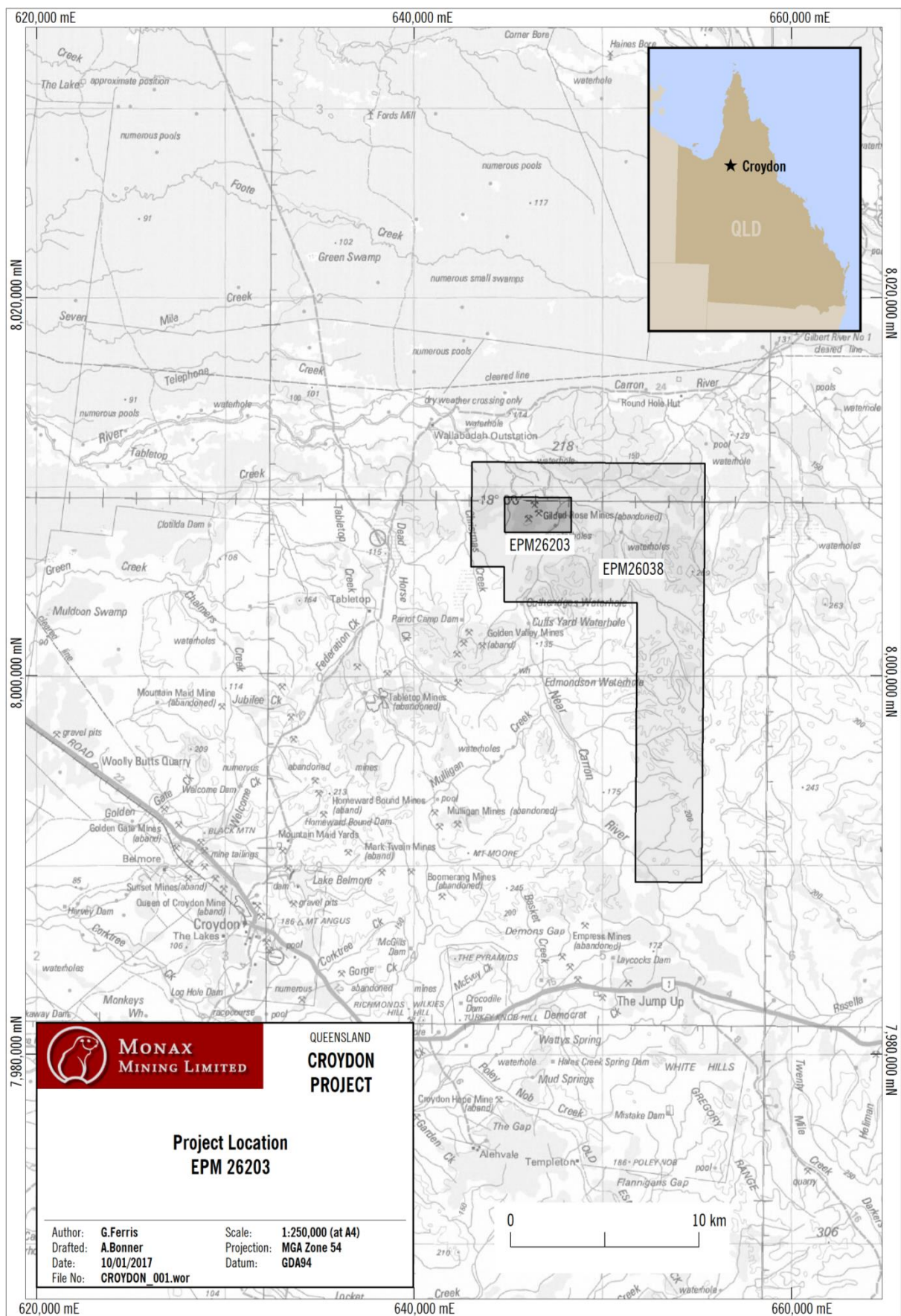
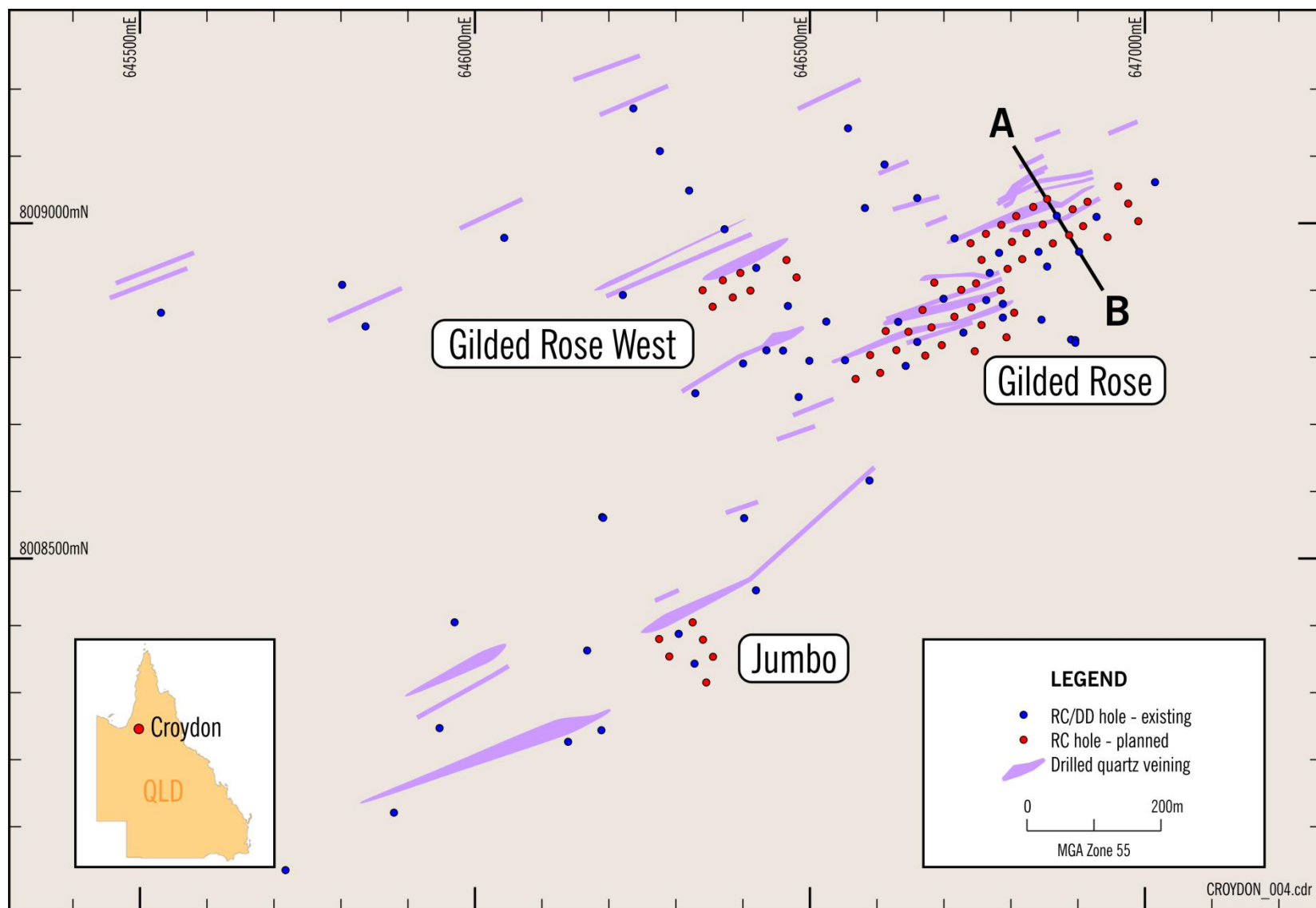
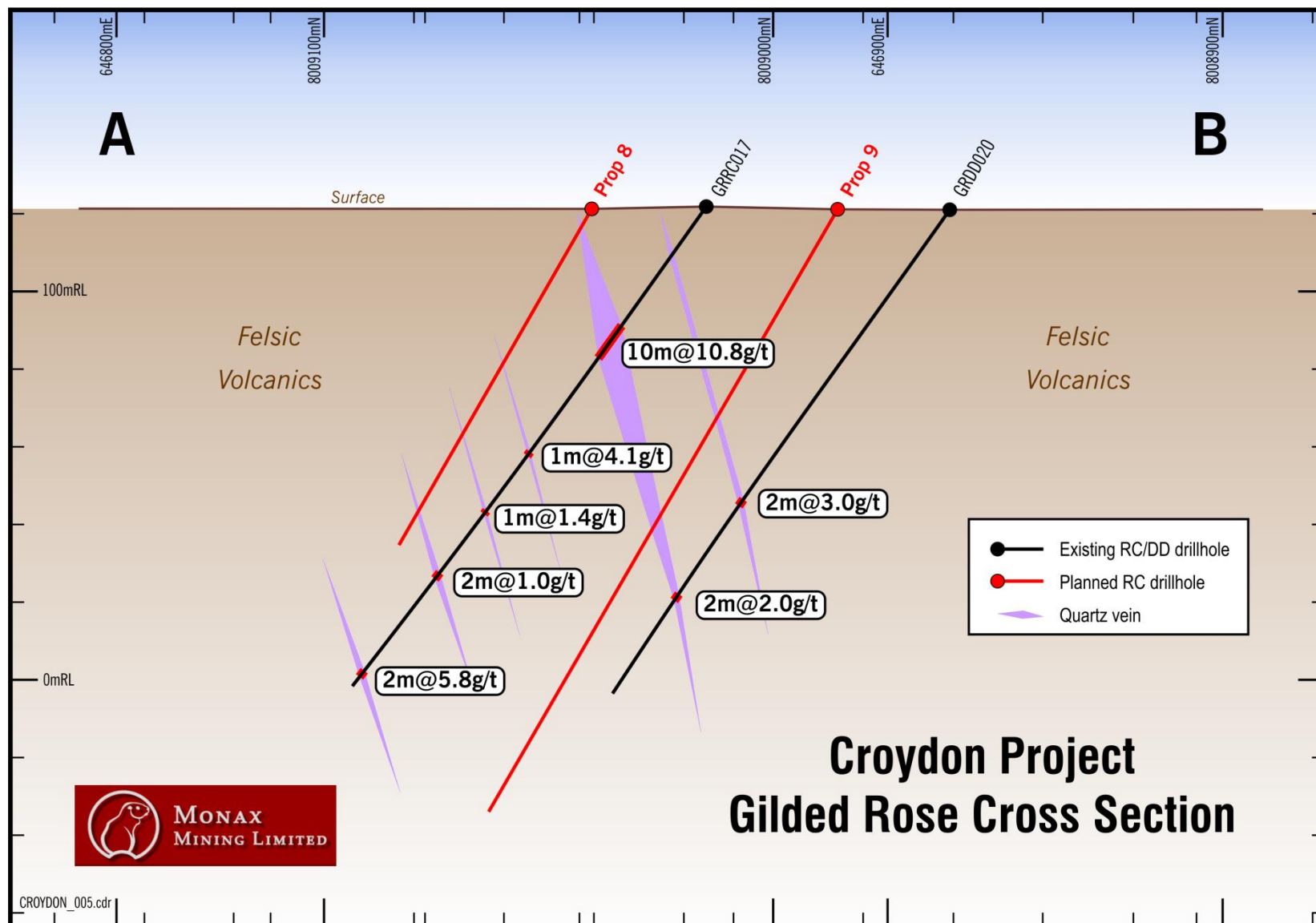


Figure 4: Location plan for Croydon Gold Project.



**Figure 5:** Drill hole plan for Gilded Rose and Jumbo prospects showing historical drilling, quartz veins intersected within historical drilling and planned drill holes (Section A-B is shown in Figure 4). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.





**Figure 6:** Cross-section showing an area of high-grade gold and planned drill holes targeting up-dip and down-dip extensions. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Additionally, all lengths are downhole lengths; true width unknown.

## Percyville Gold Project

During the previous quarter, Monax completed its maiden drilling program on ML 30216, at the Percyville Gold Project (Figure 7).

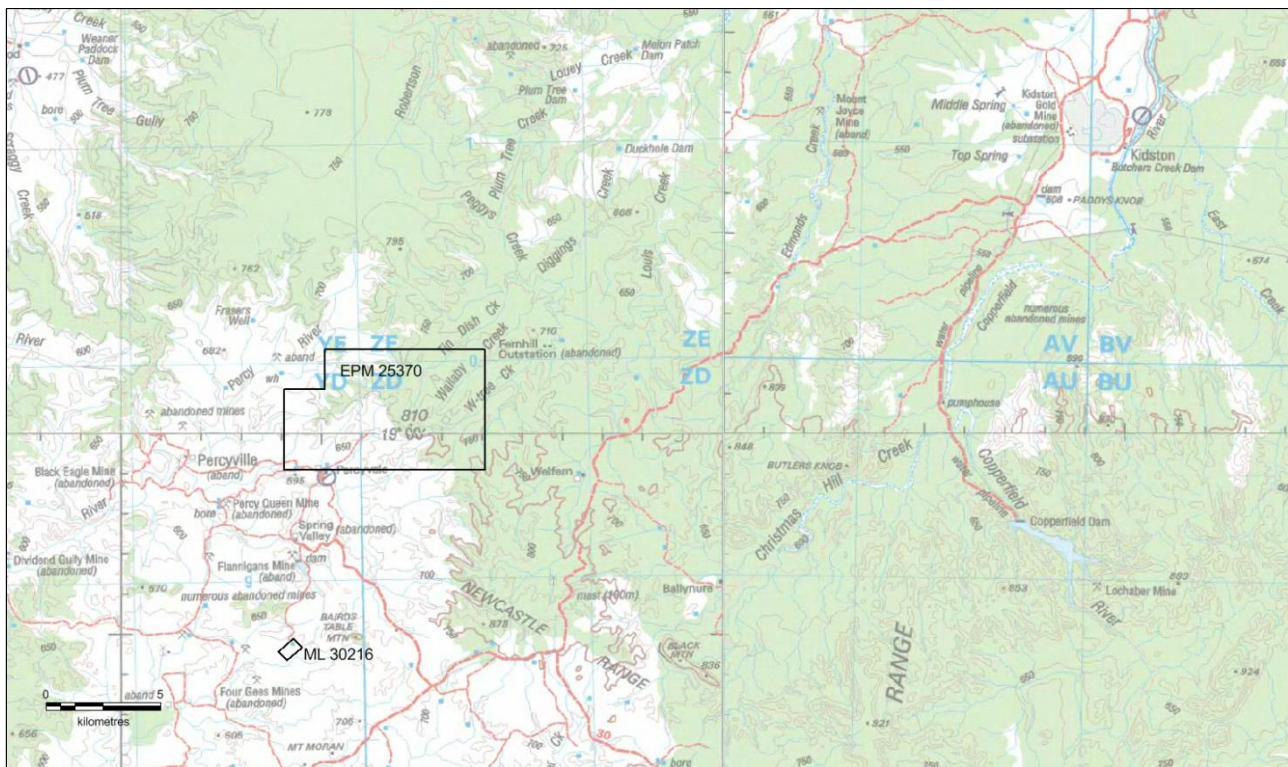
Monax completed 14 holes totalling 860 metres returning particularly high grades at the southern vein whereby gold up to 23g/t was reported over 1 metre. Further to this, anomalous gold (>1g/t Au) was reported across 12 of the 14 drill-holes (see Figure 8 and Table 1 for details) demonstrating the overall success of the drilling program. Highly encouraging intercepts include 19m @2.85g/t Au (15-34m) incl. 4m at 9.4g/t (15-19m) (see ASX Release 20 December for details).

A detailed induced polarisation (“IP”) survey is scheduled for late-April and aims to assist with developing additional drilling programs, following the modelling of the IP data. The IP will assist in outlining possible sub-surface extensions to the outcropping veins and also provide the Company with additional data on the area between the vein sets, to assist with accurately locating deeper chargeable features outlined from the previous IP survey.

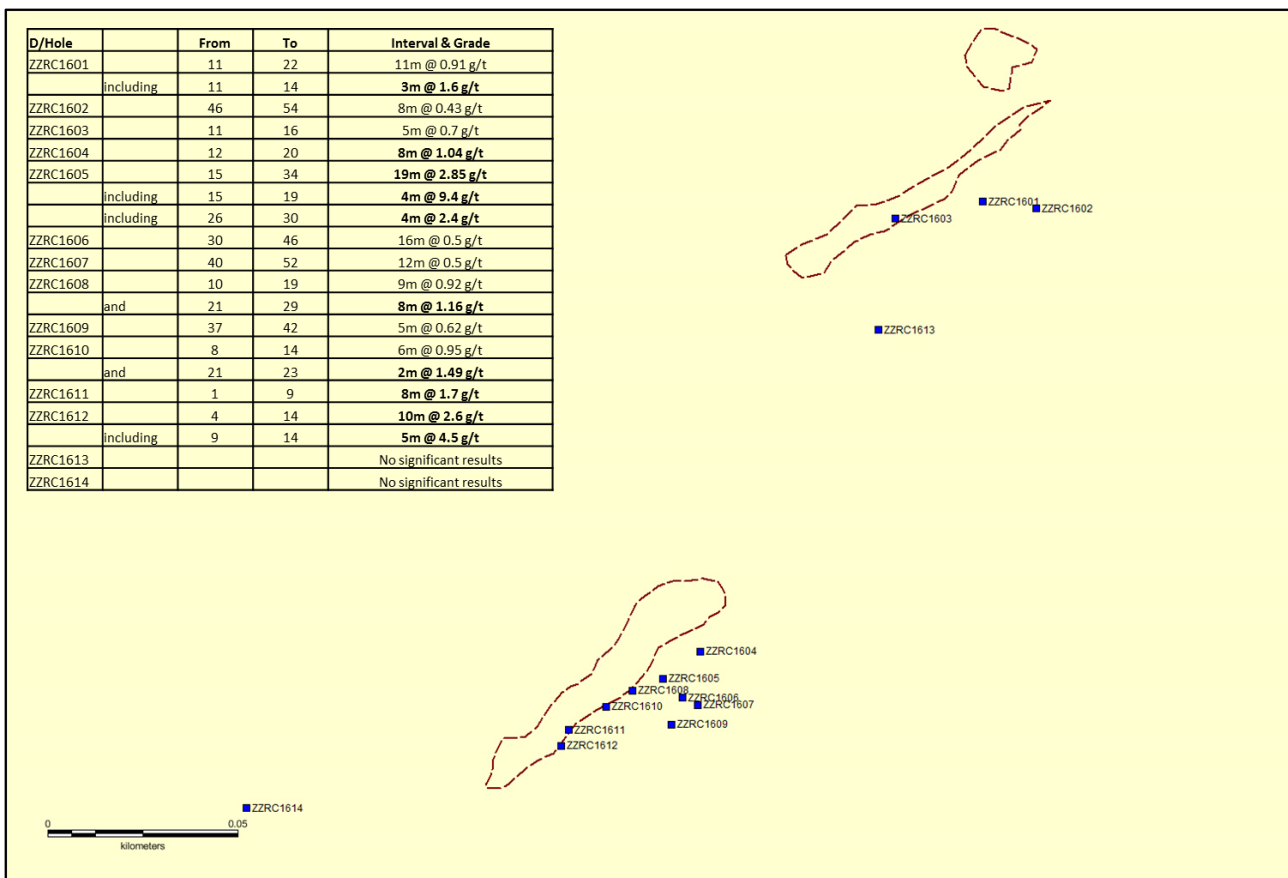
**Table 1:** Summary of significant drilling results  
(all lengths are downhole lengths; true width unknown).

D/Hole No.		From (m)	To (m)	Interval (m) & Grade (g/t)
<b>ZZRC1601</b>		11	22	11m @ 0.91 g/t
	including	11	14	<b>3m @ 1.6 g/t</b>
<b>ZZRC1602</b>		46	54	8m @ 0.43 g/t
<b>ZZRC1603</b>		11	16	5m @ 0.7 g/t
<b>ZZRC1604</b>		12	20	<b>8m @ 1.04 g/t</b>
<b>ZZRC1605</b>		15	34	<b>19m @ 2.85 g/t</b>
	including	15	19	<b>4m @ 9.4 g/t</b>
	including	26	30	<b>4m @ 2.4 g/t</b>
<b>ZZRC1606</b>		30	46	16m @ 0.5 g/t
<b>ZZRC1607</b>		40	52	12m @ 0.5 g/t
<b>ZZRC1608</b>		10	19	9m @ 0.92 g/t
	and	21	29	<b>8m @ 1.16 g/t</b>
<b>ZZRC1609</b>		37	42	5m @ 0.62 g/t
<b>ZZRC1610</b>		8	14	6m @ 0.95 g/t
	and	21	23	<b>2m @ 1.49 g/t</b>
<b>ZZRC1611</b>		1	9	<b>8m @ 1.7 g/t</b>
<b>ZZRC1612</b>		4	14	<b>10m @ 2.6 g/t</b>
	including	9	14	<b>5m @ 4.5 g/t</b>
<b>ZZRC1613</b>				No significant results
<b>ZZRC1614</b>				No significant results





**Figure 7:** Location of Percyville Project (ML 30216 & EPM 25370).



**Figure 8:** Detailed plan showing location of drill holes (drill hole highlights shown in Table – note all lengths reported are downhole lengths – true width unknown).

**For further information please contact:**

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Email: [info@monaxmining.com.au](mailto:info@monaxmining.com.au)

*'The information in the Quarterly Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets is based on information compiled by Mr G M Ferris, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ferris is engaged under a contract to provide services as Managing Director as required and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ferris consents to the inclusion of the information in this report in the form and context in which it appears.'*



## Tenement Holdings as of 31 March 2017

Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 31 March 2017. During the quarter, EL 5774 (Punt Hill) was not renewed and EL's 5077, 5199 and 5200 were transferred to Western Areas Limited.

### Monax Mining Limited

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Yeltacowie	EL 5729	Granted	100%		Monax Mining
Melton	EL 5122	Granted	25% of all minerals	JV with Marmota Energy	Marmosa P/L*
North Melton	EL 5209	Granted	25% of all minerals	JV with Marmota Energy	Marmota Energy
Phar Lap	EL 5123	Granted	100%	Farm-In with Iluka Resources	Monax Mining
Shoulder Hill	ELA 2014/194	Application	100%		Monax Mining
Bowilia Hill	EL 5669	Granted	100%		Monax Mining
Croydon#1	EPM 26038	Granted	100%		Monax Mining
Croydon#2	EPM 26203	Granted	100%		Monax Mining

\*Marmosa Pty Ltd (a wholly-owned subsidiary of Marmota).

### Monax Alliance Pty Ltd

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Kulitjara	ELA 2013/168	Application	100%		Monax Alliance P/L
Anmuryinna	ELA 2013/169	Application	100%		Monax Alliance P/L
Poole Hill	ELA 2013/170	Application	100%		Monax Alliance P/L

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Monax Mining Limited

### ABN

96 110 336 733

### Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	
1.2 Payments for		
(a) exploration & evaluation	(62)	(464)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(157)	(422)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	11
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(217)</b>	<b>(875)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(2)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10) *	-	22
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>20</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	1,503
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(96)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,407</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	920	151
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(217)	(875)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	20
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,407
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>703</b>	<b>703</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	137	905
5.2 Call deposits	566	15
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>703</b>	<b>920</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
74
-

Non-Executive Directors fees and Executive Director's consultancy.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

## Mining exploration entity and oil and gas exploration entity quarterly report

8.	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9.	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	253
9.2	Development	
9.3	Production	
9.4	Staff costs	
9.5	Administration and corporate costs	71
9.6	Other (provide details if material)	
9.7	<b>Total estimated cash outflows</b>	<b>324</b>

10.	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Punt Hill EL 5774 Nullarbor EL5077 North Yalata EL 5199 East Yalata EL 5200	Relinquished Relinquished Relinquished Relinquished	100% 10% 10% 10%	0% 0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				



### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: ...28 April 2017.....

Print name: Kaitlin Smith.....

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.