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IP Survey Outlines Further Targets at Percyville

HIGHLIGHTS

- **Results from dipole – dipole IP survey received**
- **Several prominent chargeability anomalies outlined**
- **Drilling planned to commence in coming weeks**

Monax Mining Limited (**Monax** or **the Company**) is pleased to announce further highly encouraging results from a follow-up induced polarisation (IP) program at its Percyville Gold Project, located in northern Queensland (see Figure 1).

Monax completed Gradient Array and Dipole-Dipole IP surveys over the project area in late 2016 and subsequent drilling provided highly encouraging results (see Figure 2 for drill hole locations and a summary of results from the 2016 drilling program).

Monax recently completed a follow-up IP dipole-dipole survey to assist in outlining further drilling targets. The initial drilling was based on the original IP survey and outcropping quartz reefs. The recent survey was focussed on the area between the two outcropping reefs and extending the survey along strike both to the North and South. Figure 3 shows a 3D model of the collated IP data and highlights three new targets for drill testing whilst Figure 4 depicts the lines in 2D (both chargeability and resistivity).

New Drilling Targets

Northern Targets

Two lines (20150n & 20100n) were collected north of previous line 20000n with both lines showing significant chargeable features along strike from the northeast trending outcropping reef with another parallel feature located to the east (see Figure 5a).

Central Target

Two lines (19950n & 19900n) were collected between the two initial IP lines obtained in late 2016 to investigate the possibility that the reef disappears under cover. On the surface, no in situ reef was observed, but the area contains scattered quartz float. The new IP data shows that similar features to the outcropping reef are evident in the data suggesting the presence of the reef subsurface.

The new IP data shows a prominent chargeable feature located further to the west (see Figure 5b).

Deep Target

Modelling of the initial 2016 IP data showed the presence of a larger deep chargeable body which may reflect a deeper sulphide-rich source. Two additional lines to the south of the previous survey were designed to assist in better outlining this drill target.

The new data shows a prominent deeper chargeable source which will also be tested by drilling in the upcoming program.

Forward Program

These highly encouraging geophysical results, combined with existing data from the 2016 drilling program provide Monax with strong levels of confidence to undertake a follow-up drilling program. Additional drill holes will target the outcropping reefs at depth and new drilling will test the three new targets outlined by the recent IP survey. Drilling is planned to commence in the coming weeks.

For further information, please do not hesitate to contact:

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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.

Forward Looking Statements

"The information in this report includes forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or any change in events, conditions or circumstances on which any such statement is based."

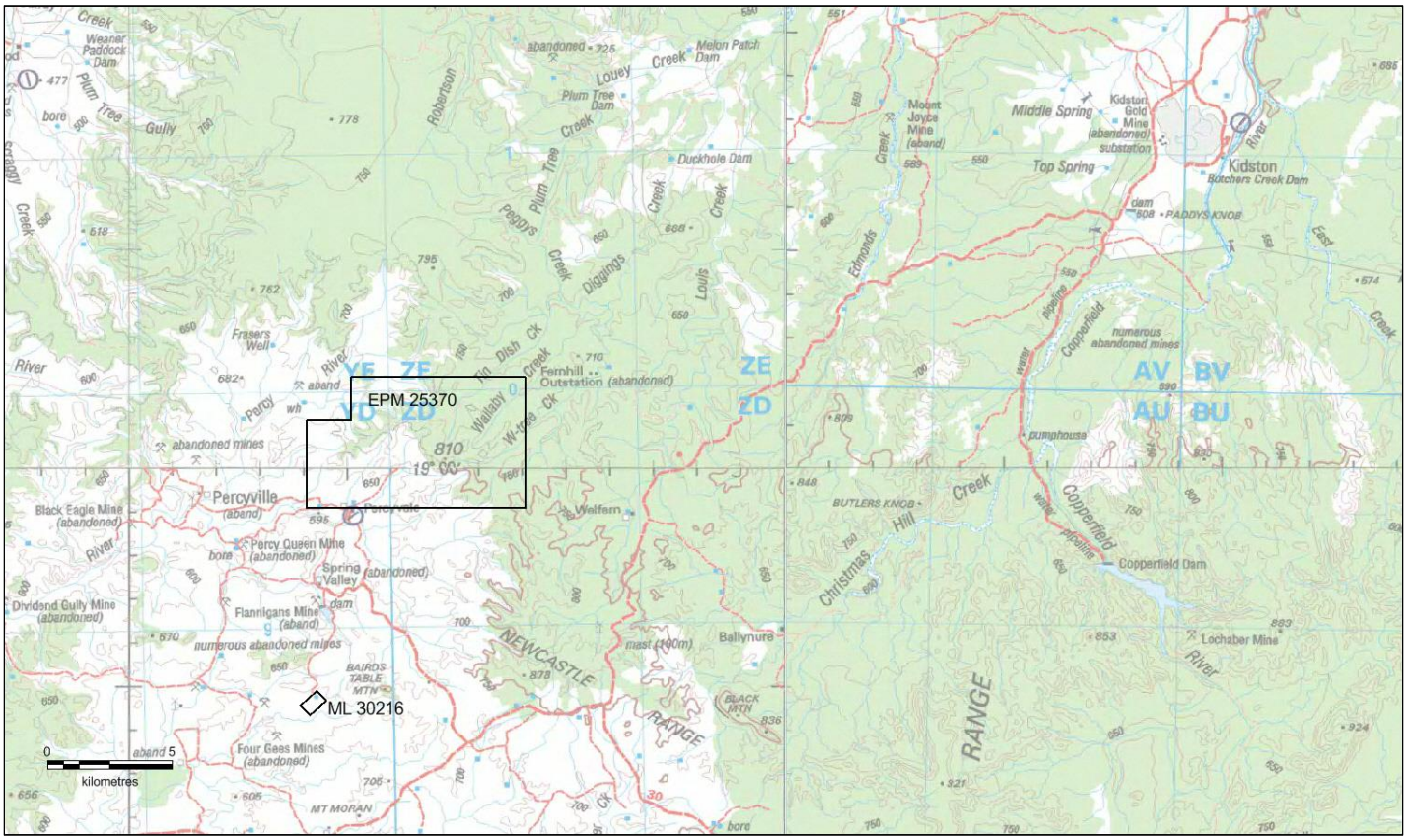

Figure 1: Location of Percyville Project

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

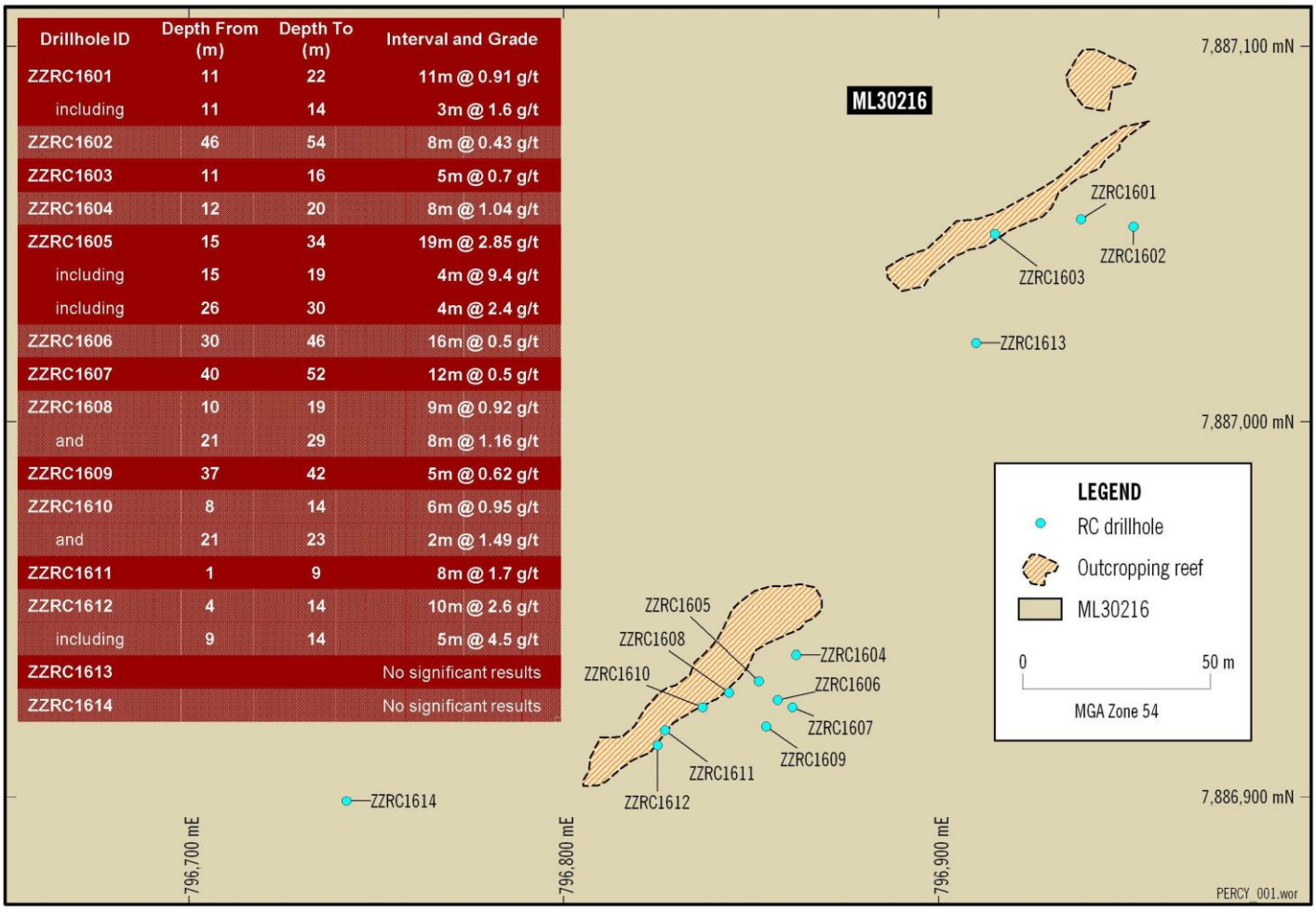

Figure 2: Location of 2016 drill holes and significant results

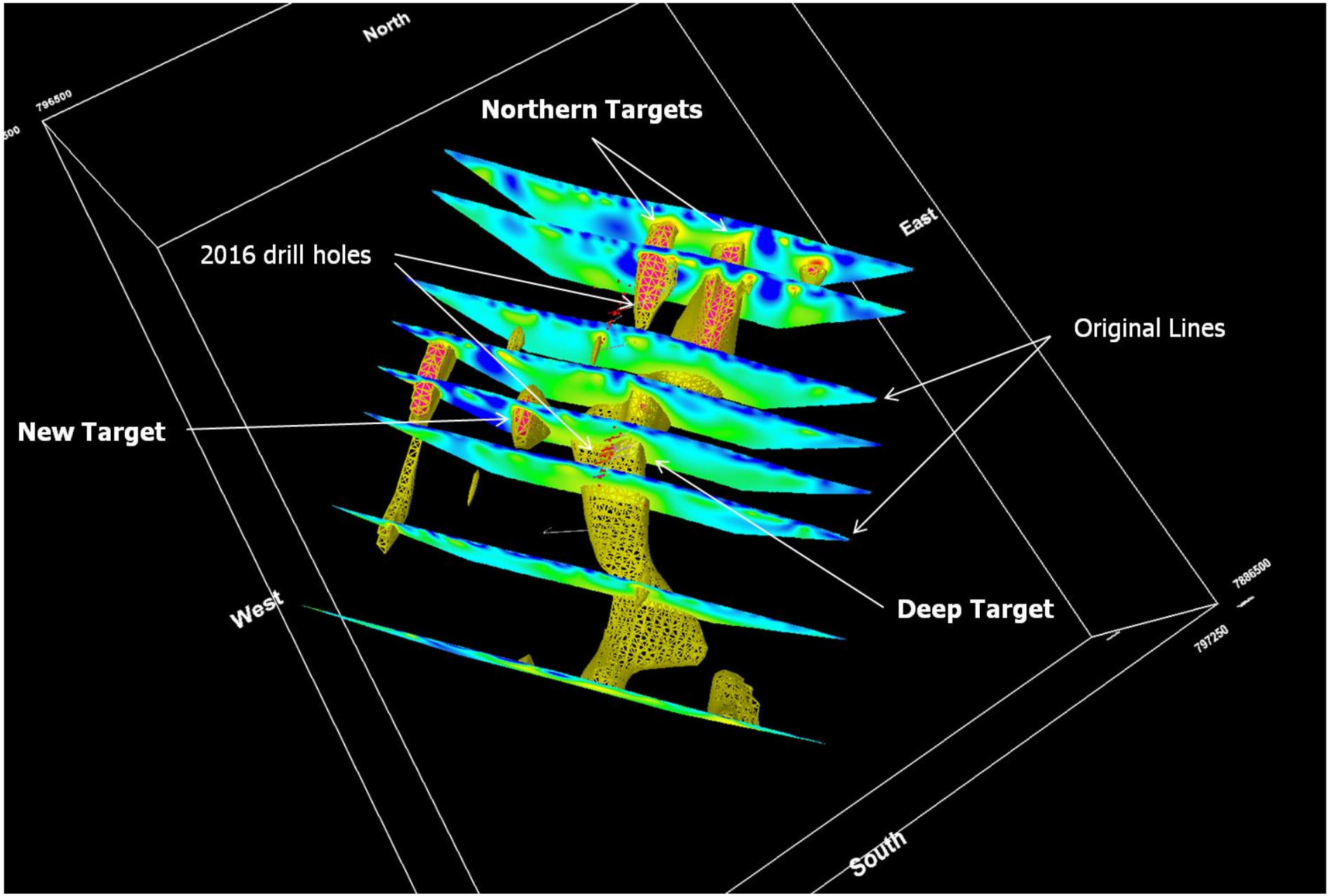

Figure 3: 3D Model of IP data for Double Z Mining Lease showing new drilling targets. Red dots are original rock chip samples which are along the two outcropping reefs

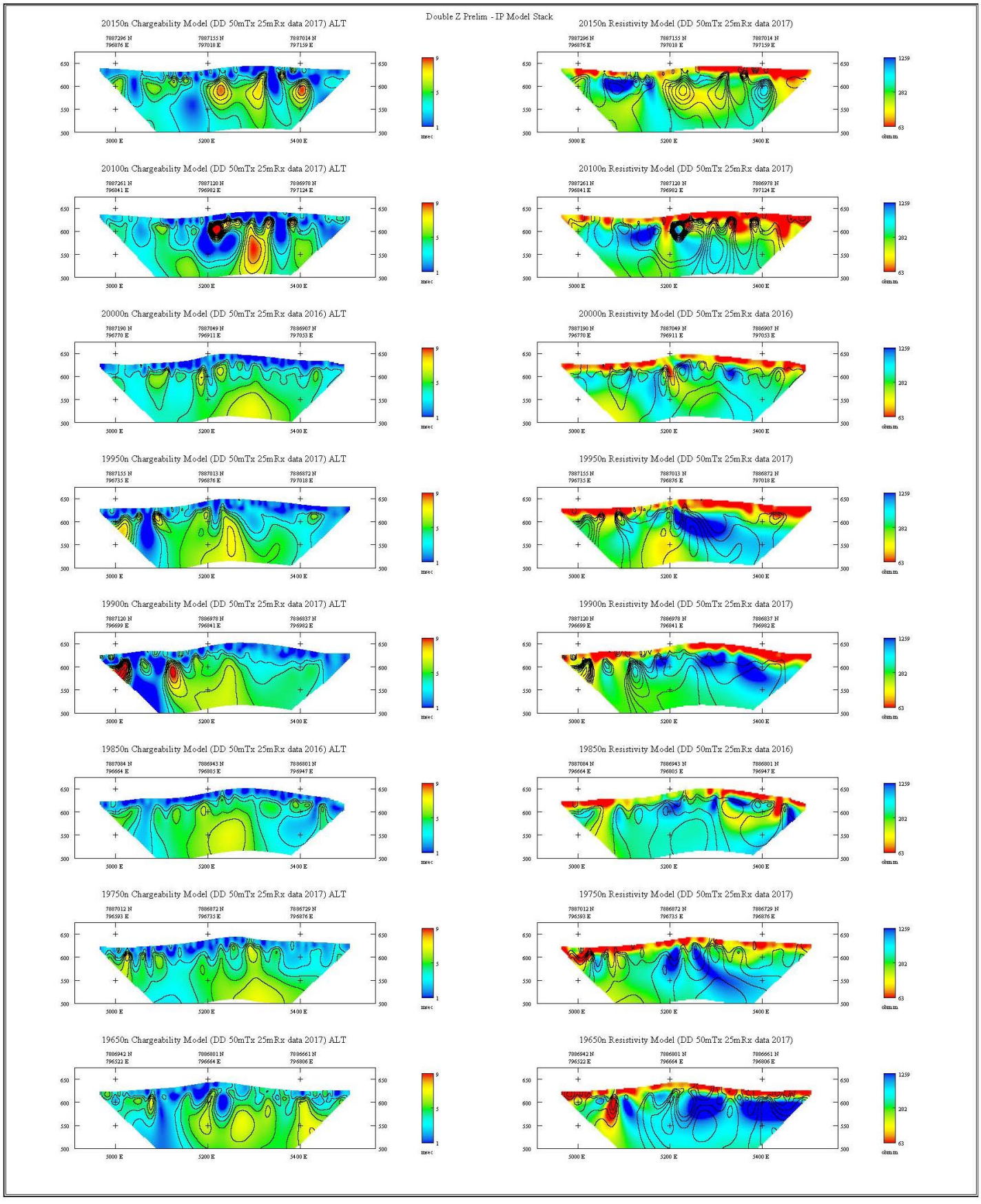

Figure 4. 2D model stack for all dipole-dipole lines: chargeability model is 4 cells per dipole alternate seed/reference models, the resistivity is standard 2 cells per dipole model. Chargeability contours are shown the resistivity plots on the right hand side. Northern most line is at the top of the page

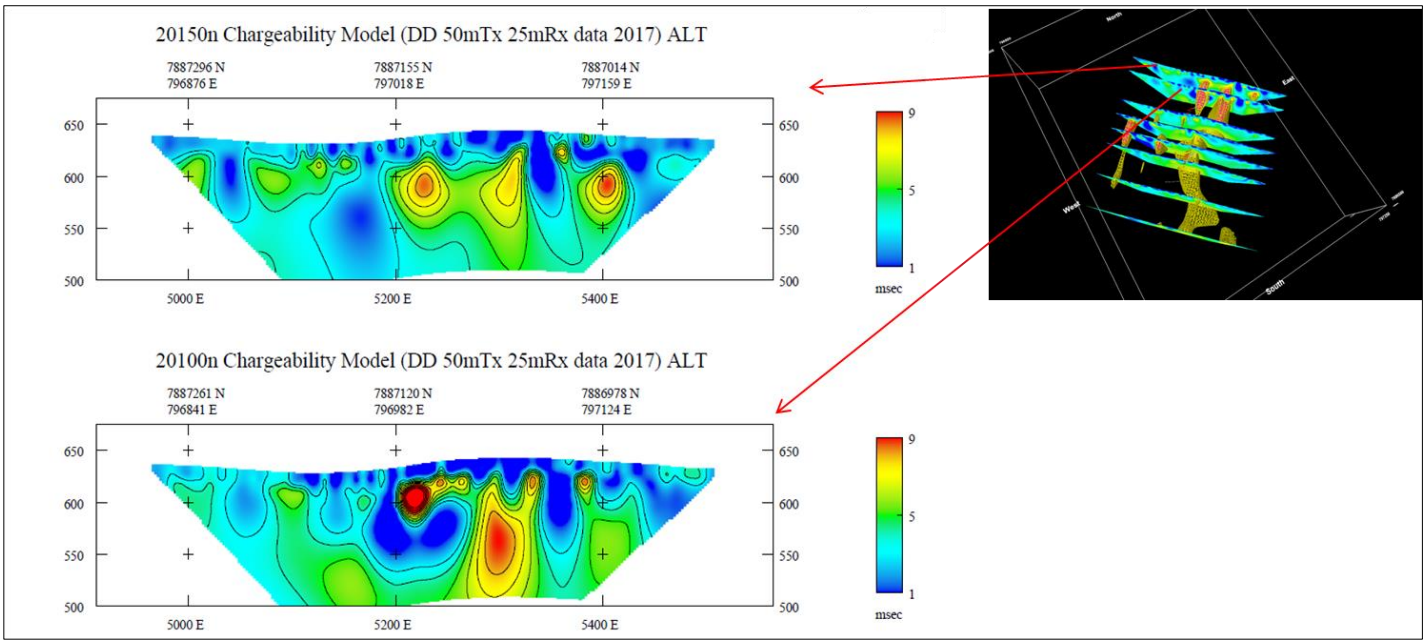

Figure 5a. 2D model stack of chargeability for two dipole-dipole lines showing targets generated on two northern most lines.

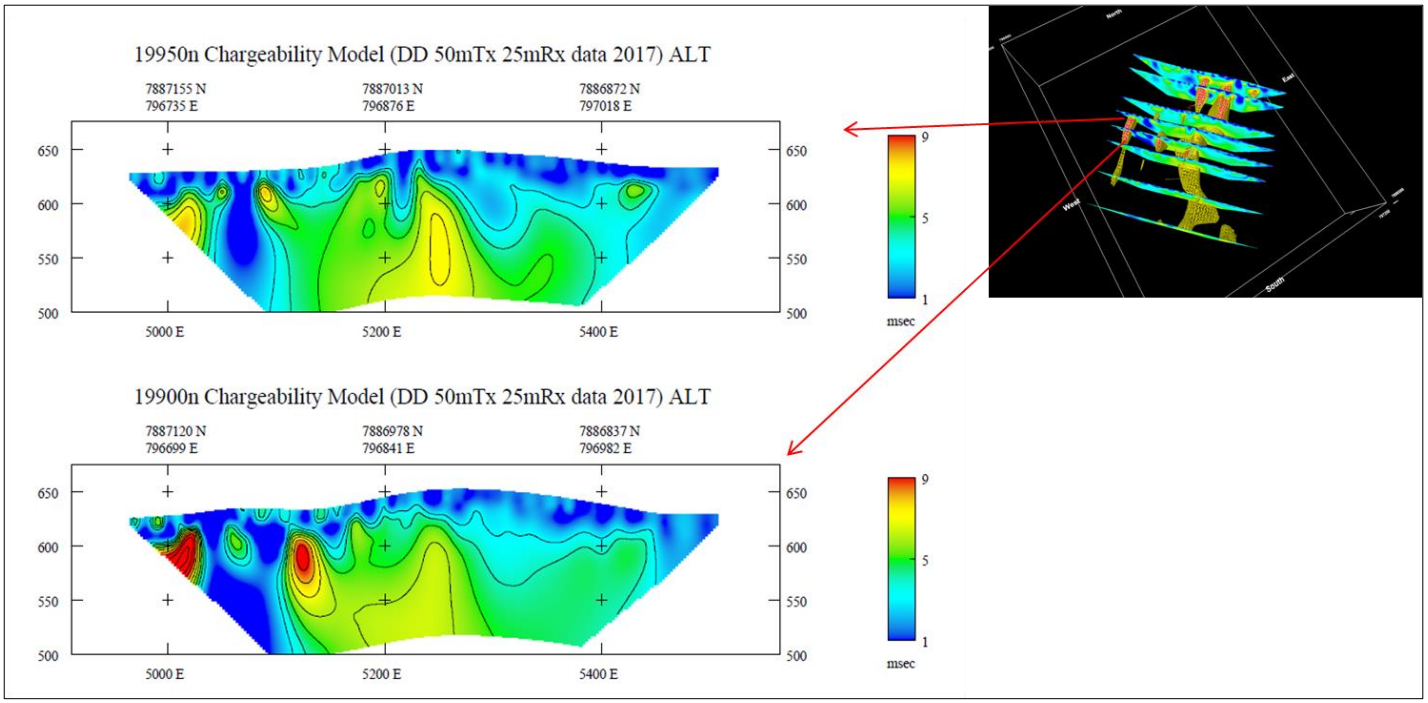

Figure 5b. 2D model stack of chargeability for two dipole-dipole lines showing targets generated on two central lines (two lines collected between two original IP lines collected in 2016).

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Not Applicable – no drilling results reported.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not Applicable – no drilling results reported.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not Applicable – no drilling results reported.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not Applicable – no drilling results reported.
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and*	• Not Applicable – no drilling results reported.

Criteria	JORC Code explanation	Commentary
preparation	*whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Not Applicable – no drilling results reported.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not Applicable – no drilling results reported.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Not Applicable for induced polarisation (IP) survey. • IP data was collected using GDA94 (Zone 54). • Location data was collected using a differential GPS.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• The Dipole-Dipole traverses were collected using 25m receiver dipoles with a 50m transmitter dipole. These Dipole-Dipole IP traverses were collected with a “static” receiver spread and the transmitter dipole passing through the spread with a 1/2 dipole offset utilising 50m transmitter station moves. • Not applicable – data not used for resource estimation.

Criteria	JORC Code explanation	Commentary
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Not Applicable for induced polarisation (IP) survey.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not Applicable for induced polarisation (IP) survey.
Sample security	• *The measures taken to ensure sample security.*	• Not Applicable for induced polarisation (IP) survey.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not Applicable for induced polarisation (IP) survey.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The IP survey was undertaken on Mining Lease ML 30216 which is owned 100% by Allyn Zabel. Allyn Zabel has a deal whereby he has transferred 50% of the rights for ML 30216 to S & M Foster. • The tenement is free of any known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• A review of historical company exploration found no exploration focussed on the area within ML 30216.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Quartz vein gold

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
		• Not Applicable – no drilling results reported.
		.

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not Applicable – no drilling results reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not Applicable – no drilling results reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Map showing tenement location is included in Release and results have been previously released (see ASX Release 23 August 2016 for full details)
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results for samples have been previously released (see ASX Release August 23 2016 for full details)
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Other data not considered material
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Monax is planning a drilling program to test the outcomes of the IP survey.