



**MONAX  
MINING LIMITED**

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31 July 2017

# Monax Mining Limited

## Quarterly Report

For the quarter ended 30 June 2017

### HIGHLIGHTS

#### Percyville Gold Project

- Induced polarisation (IP) survey completed
- Drilling program successfully completed end of June quarter outlining high-grade shallow gold
- Further drilling planned to determine depth and strike extent of the mineralised system

#### Croydon Gold Project

- Modelling of historical drilling data has highlighted the prospectivity of the Gilded Rose and Jumbo prospects
- Monax commenced field exploration late April
- Widespread high-grade gold reported across 6 prospects including 263 g/t at Sarina Gem
- Planned future drill program at Croydon aims to delineate a potential JORC resource at Gilded Rose – Jumbo prospects

## Corporate

In the three months to 30 June 2017, Monax Mining Limited (**Monax** or the **Company**) (ASX:MOX) focussed its exploration efforts on its two north Queensland gold projects (Percyville and Croydon).

Exploration at the two project sites commenced in late April and comprised rock chip sampling at Croydon followed by an induced polarisation (IP) survey at Percyville. Follow-up drilling at Percyville recently completed at the end of the June quarter.

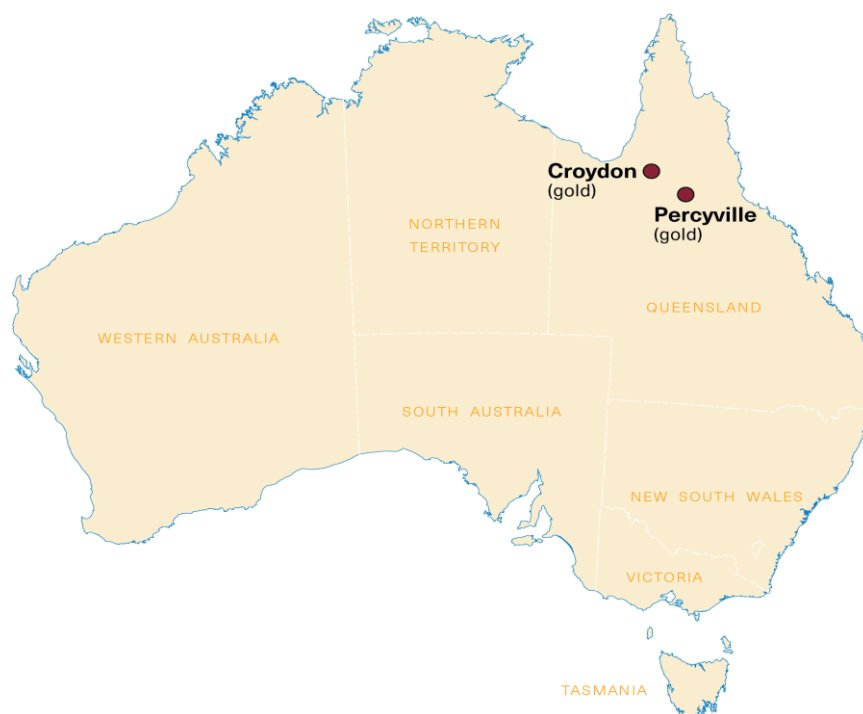
In early June, Ian Gordon was appointed Non-executive Director of the Monax Board. Mr Gordon is a mining executive with extensive experience in project acquisition, mine development and the management of public companies. Mr Gordon will assist the Company to assess its existing projects and also in finding additional acquisition opportunities.

In mid-June, Monax announced a Share Purchase Plan (SPP) to raise \$800,000 with proceeds to be used to fund proposed drilling at Croydon, further drilling at Percyville and to provide working capital to progress detailed due diligence on additional project opportunities.

As at 30 June 2017, Monax has a cash balance of \$0.501 million.

## Exploration

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

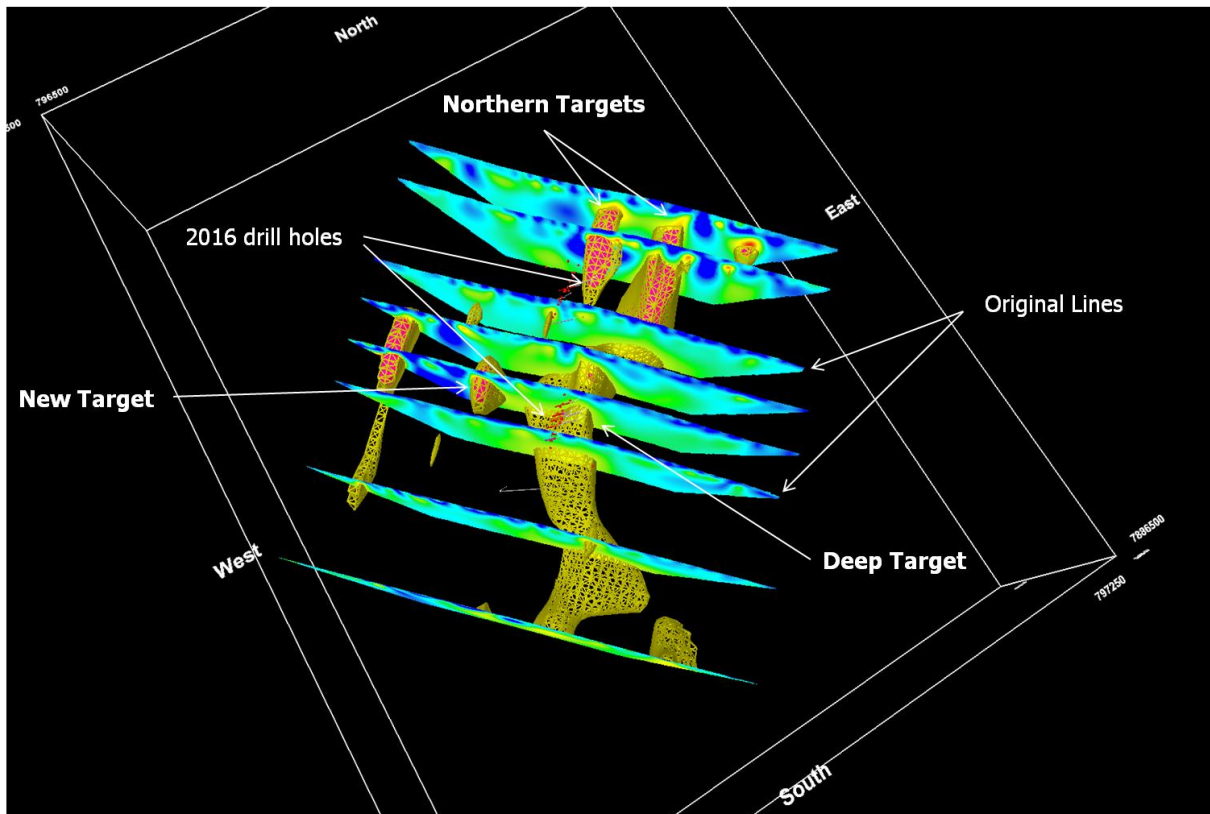


**Figure 1:** Location of Monax's projects as of 30 June 2017

## Percyville Gold Project

The Percyville Gold Project is situated within the Etheridge goldfield, with the most significant nearby deposit in the region being the Kidston gold mine, 45km to the northeast.

During the quarter, Monax completed a follow-up IP dipole-dipole survey to assist in outlining further drilling targets at Percyville. The initial drilling program completed in late 2016 was based on the original IP survey and outcropping quartz reefs. The recent IP survey focussed on the area between the two outcropping reefs and extending the survey along strike both to the North and South. Figure 2 shows a 3D model of the collated IP data which highlights three new targets (Northern, Central and Deep) which were the subject of recent drill testing.



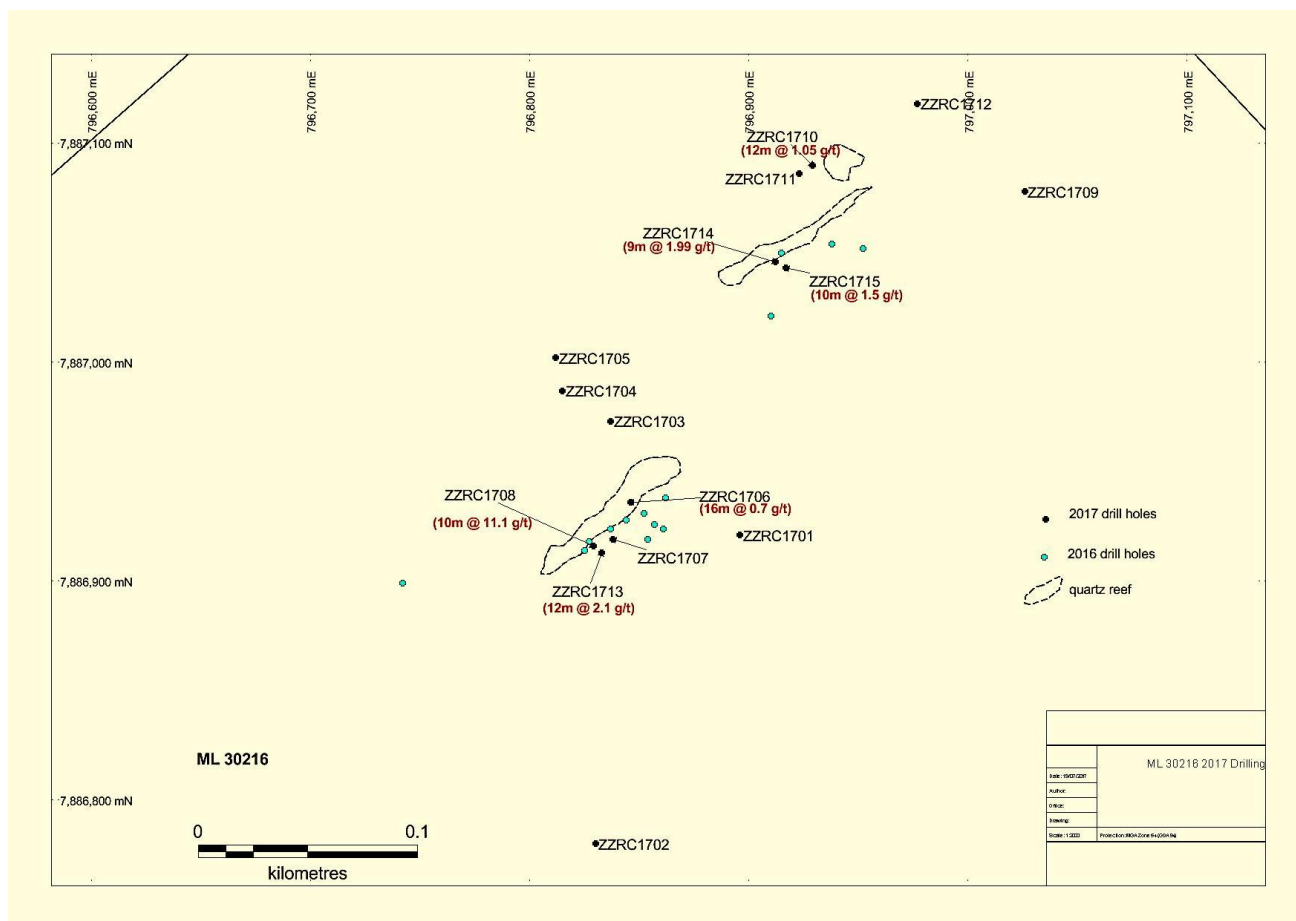
**Figure 2.** 3D Model of IP data for Double Z Mining Lease showing new drilling targets. Red dots are original rock chip samples which are along the two outcropping reefs.

Monax undertook a successful follow-up drilling program late this quarter, completing 15 holes totalling 991 metres. A number of significant results were collected, including a best intercept of 10m @ 11.1g/t which came from the hill containing outcropping reefs (see Figure 3). Drilling to date has primarily focused on the outcropping areas, however there is potential for possible parallel repetitions to the outcropping veins and extensions along strike. Monax is highly encouraged by the recent results and given the grade and shallowness of the results obtained thus far, Monax intends to undertake further drill-testing to determine the full depth and strike extent of the system.

Best drill intercepts include:

- **10m @ 11.1 g/t Au (7-17m) – ZZRC1708**
- **12m @ 2.1 g/t Au (14-26mm) – ZZRC1713**
- **9m @ 1.99 g/t Au (3-12m) – ZZRC1714**
- **10m @ 1.5 g/t Au (20-30m) – ZZRC1715, and**
- **12m @ 1.05 g/t Au (23-35m) – ZZRC1710** (all lengths are downhole lengths; true width unknown)

For further information, see ASX Release 20 July 2017.



**Figure 3:** Detailed plan showing location of 2017 Percyville drill holes (Note all lengths reported are downhole lengths – true width unknown).

## 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.

Monax undertook a reconnaissance sampling program on EPM 26038 in mid-2016 which provided encouraging results, reporting gold up to 81g/t (see ASX Release 29 June 2016 for details). Historical drilling data on EPM 26203 also showed 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.

The follow-up field program conducted this quarter consisted of field mapping and rock chip sampling on both tenements, following a review of the historical drill data. Further highly encouraging results were collected across the tenements, with eighteen of thirty one samples reporting gold >1g/t across 6 prospects and a maximum of 263g/t. Historical drilling shows the Gilded Rose and Jumbo prospects comprising a broad low-grade zone with high-grade core. The data also indicates gold mineralisation at Gilded Rose and Jumbo is hosted within steeply dipping quartz veins, intersected by historical drill holes and highlighted by the cross-section in Figure 5.

The recent reconnaissance sampling program was also successful in confirming high-grade gold at additional prospects including Sarina Gem (263 g/t), Blue Jacket (66.4 g/t), Jumbo (58.4 g/t) and Lost Chance (22.4 g/t) (Plate 1). Monax believe these zones warrant further testing, particularly given historical workings at Sarina gem are relatively deep – see ASX Release 17 May 2017 for further details.

The sampling program was successful in confirming the high-grade nature of mineralisation in the area and combined with existing data from historical workings, will assist the Company in highlighting prospective drill targets for a planned future drill program, aimed at potentially outlining a 2012 JORC Resource for the Gilded Rose-Jumbo prospects (see Figure 6).



**Plate 1:** Selected rock chip samples from Monax's 2017 sampling program.



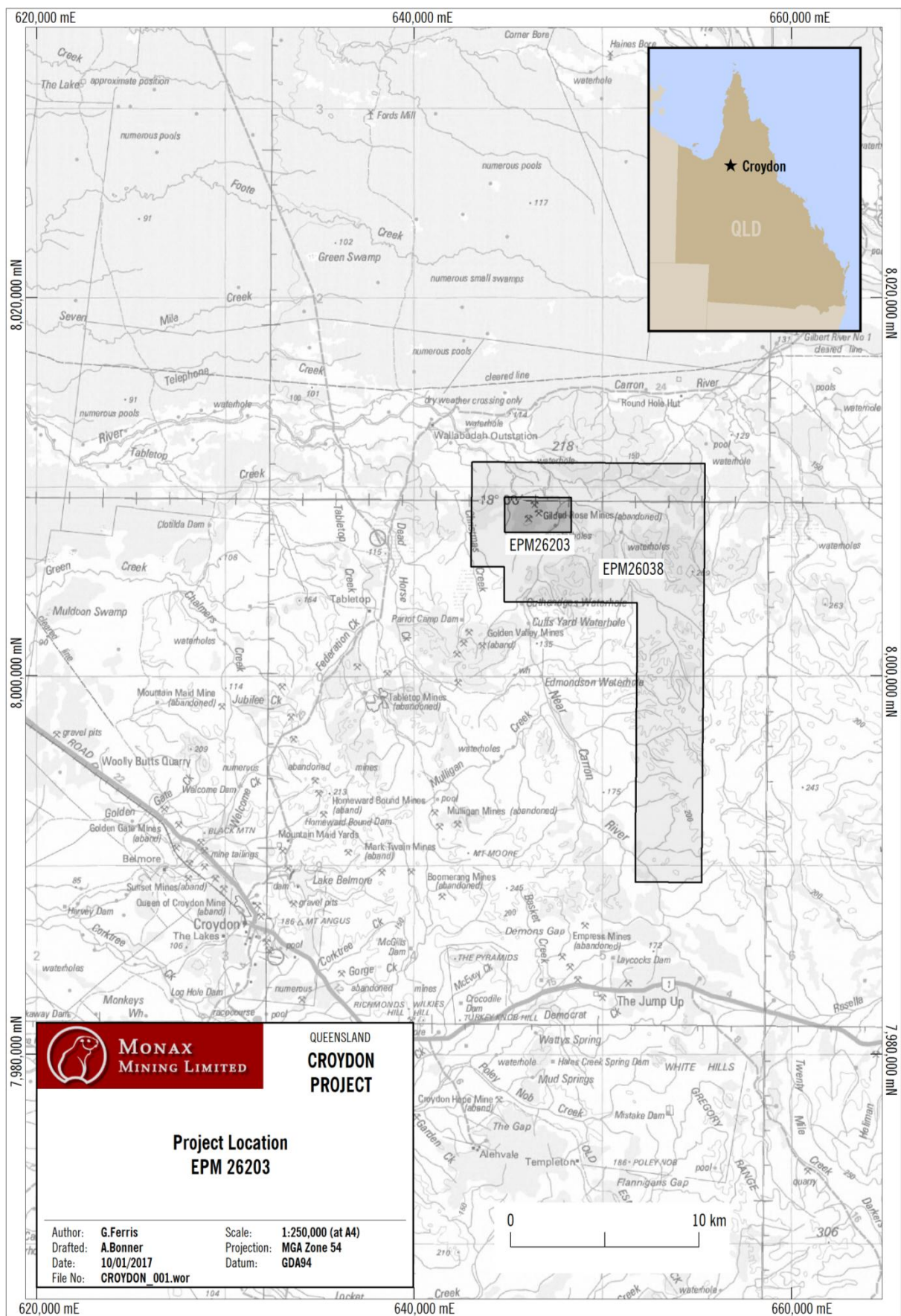
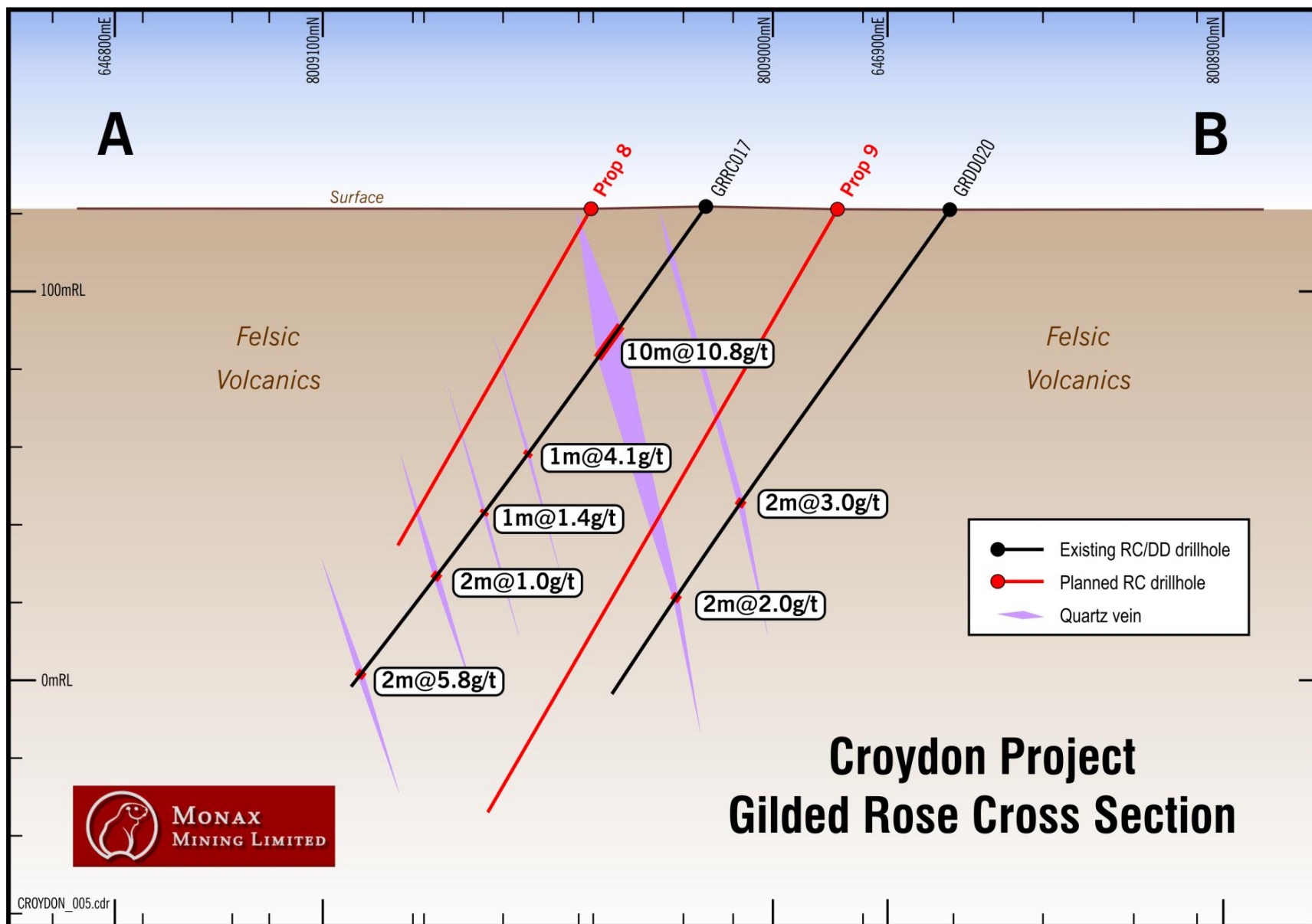
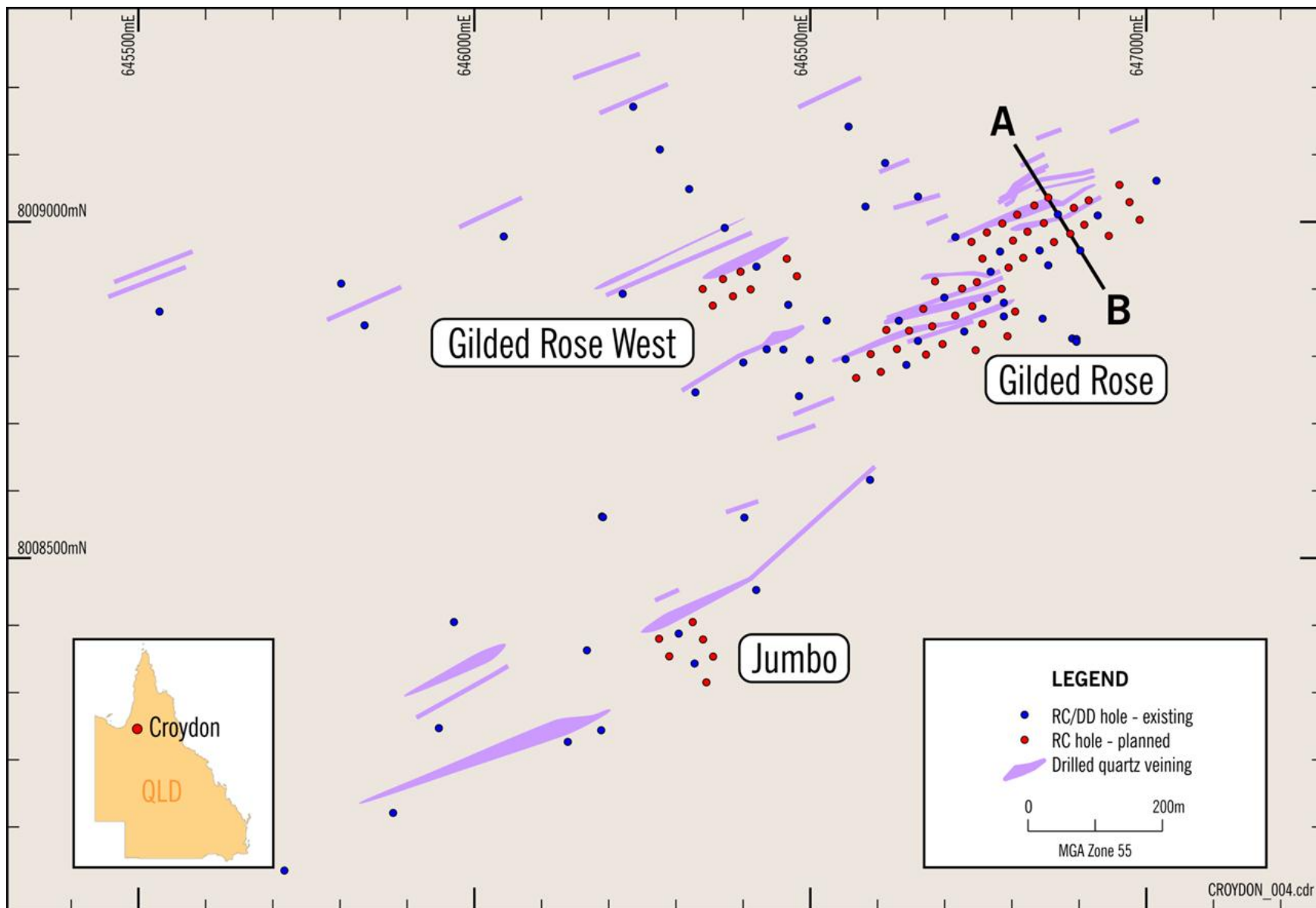


Figure 4: Location plan for Croydon Gold Project.



**Figure 5:** 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.



**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;



## Other Projects

### ***Litchfield Lithium Project***

During the quarter, Monax withdrew from the Option Agreement for the Litchfield Project.

### ***Phar Lap Project***

During the quarter, Monax did not renew the Phar lap tenement.

## For further information please contact:

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Managing Director  
Monax Mining  
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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 30 June 2017

Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 30 June 2017. During the quarter, ELA 2014/194 (Shoulder Hill) was surrendered and EL 5123 (Phar Lap) was allowed to lapse.

### 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
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")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	
1.2 Payments for		
(a) exploration & evaluation	(128)	(592)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(89)	(511)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	15
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>(213)</b>	<b>(1,088)</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 (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	11	11
	(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>11</b>	<b>31</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	703	151
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(213)	(1,088)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	11	31
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>501</b>	<b>501</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	335	137
5.2 Call deposits	166	566
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>501</b>	<b>703</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>
80
-

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

<b>8. 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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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	120
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	205
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>325</b>

<b>10. 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	Shoulder Hill ELA2014/194 Phar Lap EL5123	Relinquished Relinquished	100% 100%	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:  ..... Date: ...31 / 07 / 2017.....  
(Company secretary)

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.