



30 April 2018

Monax Mining Limited

Quarterly Report

For the quarter ended 31 March 2018

HIGHLIGHTS

Western Queen Gold Project

- Diamond and RC drilling commenced at Western Queen Central
- A Mineral Resource estimate of 120,000 ounces of gold for the Western Queen project was completed in January 2018
- A new exploration licence in the battery metals space has been applied for west of Greenbushes in WA.
- New pegmatites identified in the north of the Western Queen project area

Corporate

The Company acknowledges the passing of its long time Chairman Robert (Bob) Kennedy during the quarter. Bob was an enthusiastic leader of the Company and an accomplished Chartered Accountant and business man.

Mr Glenn Davis has accepted the position as Chairman of the Company.

Mr Paul Payne was appointed a director of the Company on the 20th March, 2018. Mr Payne is an experienced geologist and brings extensive knowledge in mineral exploration and mineral resource management to the Company.

In the three months to 31 March 2018, Monax Mining Limited (**Monax** or the **Company**) (ASX:MOX) expended \$76,000 on mineral exploration and \$64,000 on corporate costs.

As at 31 March 2018, Monax has a cash balance of \$0.46 million.

Exploration

Western Queen Gold Project

The Western Queen project is located 90km north-west of Mt Magnet in the Murchison mineral field (Figure 1).

During the quarter the Company commenced an exploration program at Western Queen that consisted of two RC holes and one diamond hole (Figure 1).

The RC holes were drilled to test the prospective structure north of the Western Queen pit targeting the contact between mafic and ultramafic rocks. Hole MXRC002 returned 4m at 1g/t demonstrating that the contact remains prospective to the north of the Western Queen pit. There is limited drilling to the north of these holes and further drilling will be planned to test this structure.

Table 1: Results of Western Queen RC Drilling Program

Hole ID	E	N	RL	Depth	Dip	Azi	From	To	Length	Au g/t
MXRC001	512,970	6,956,030	389	120	-60	90	No significant assays			
MXRC002	513,000	6,956,090	389	120	-60	90	59	62	4.0	1.0

One 450m diamond hole was drilled to test the depth extensions of the high grade zone below Western Queen pit. The core from this hole is currently being processed and assays will be released as they become available.

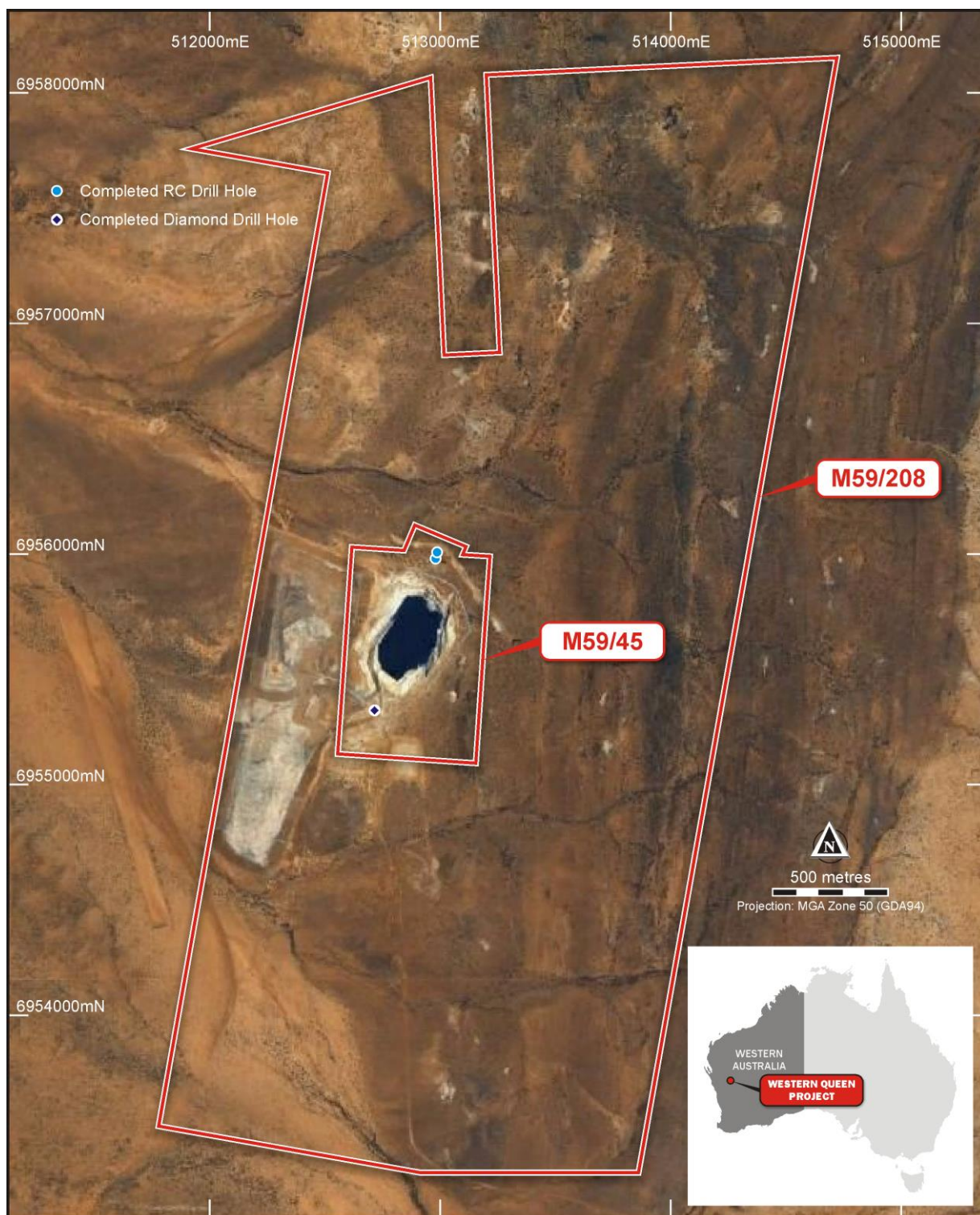


Figure 1: Western Queen drill location plan

Resource Estimation

During the quarter, the Company's geological consultants completed a Mineral Resource estimate for the Western Queen project. (See full ASX Release dated 14 January 2018).

The Mineral Resource was estimated to be 962,000t @ 3.9 g/t Au for 120,000 ounces of gold as detailed in Table 2 below:

Table 2
Western Queen Gold Deposit
January 2018 Mineral Resource Estimate (2.0g/t Au Cut-off)

Deposit	Indicated		Inferred		Total		
	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Au Ounces
WQ South	243,000	3.5	590,000	2.9	832,000	3.1	83,000
WQ Central			130,000	9.0	130,000	9.0	38,000
Total	243,000	3.5	719,000	4.0	962,000	3.9	120,000

Western Queen Lithium

In the current quarter, the Company completed a review of the Western Queen project for its potential to host lithium bearing pegmatites. Monax has identified two lines of historic RAB holes in the north of the project that have intersected significant widths of pegmatite. The Company is planning to complete geochemical analysis in this area to determine if it is prospective for lithium mineralisation.

Greenbushes West Lithium

Monax has applied for a new exploration licence for lithium west of the world class Greenbushes lithium mine. The application has been made in association with a private entity who brought the opportunity to the Company. Monax will hold a 90% interest and will carry out all exploration.

The application was made over a number of historic samples with geochemistry that suggest the area could be prospective for lithium bearing pegmatites. Monax will carry out a sampling program to confirm its prospectivity once the licence is granted.

Percyville Gold Project

No work was completed at the Percyville project during the Quarter. The Company has allowed its option over this project to lapse.

For further information please contact:

Ian Gordon
 Managing Director
 Monax Mining
 Ph: 0477 306 669
 Email: 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 Paul Payne, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a Director the Company 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 Payne consents to the inclusion of the information in this report in the form and context in which it appears.'

The information relating to Mineral Resources was provided in a report released to the ASX on 14 January 2018. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

Tenement Holdings as of 31 March 2018

Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 31 March 2018.

Monax Mining Limited

Tenement	No.	Status	Monax Interest	Details	Tenure holder
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
Croydon#1	EPM 26038	Granted	100%	Disposal Pending	Monax Mining
Croydon#2	EPM 26203	Granted	100%	Disposal Pending	Monax Mining
Western Queen	L59/40	Granted	0%	Earning 60%	Mt Magnet Gold Pty Ltd
Western Queen	M59/45	Granted	0%	Earning 60%	Mt Magnet Gold Pty Ltd
Western Queen	M59/208	Granted	0%	Earning 60%	Mt Magnet Gold Pty Ltd
Bald Hill	E59/2304	Application	100%		Monax Mining Ltd

*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

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Samples comprised material collected from RC drilling. Chips were sampled via a rig mounted splitter as 1m intervals or 4m composites. Samples were 2-4kg in size and recoveries were visually determined to be good. Sampling of historic RAB holes for lithium were collected from old spoil dumps. Depths and intervals were not possible to determine.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> RC drilling using a 4.5" bit.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Recoveries were visually determined to be good.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All holes were logged in detail Bulk reject sample has been retained on site.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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 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. 	<ul style="list-style-type: none"> Chips were sampled via a rig mounted splitter as 1m intervals or 4m composites. Samples were delivered to the laboratory for total preparation by crushing and pulverisation, before being sub-sampled for analysis. Sample sizes are appropriate for grain size and material types being sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none">

Criteria	JORC Code explanation	Commentary
	<i>lack of bias) and precision have been established.</i>	
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Recent intersections have been verified by a Competent Person. No holes were twinned
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill hole collars were located in MGA94 grid using hand-held GPS Down hole surveys were completed at 30m intervals using a Reflex tool. Quality topographic surfaces have been generated from detailed surveys.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 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. 	<ul style="list-style-type: none"> Monax drilling aimed to test extensions to previously defined mineralisation in previous holes at spacings of approximately 40m by 40m. Resource estimation is not planned. No compositing of data has been used
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill holes are orientated orthogonal to the geological and mineralised trend. Intercept angles are moderate to high angle. Typically as -60° east dipping holes drilling a steeply -80° west dipping lode zone. No bias considered present.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All samples have been collected by Monax contractors. Samples are transported to the laboratory by commercial transport companies. The laboratory receipts received samples against the sample dispatch documents and issues a reconciliation report for every sample batch. .
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No external audits or reviews of sampling techniques and data collection have been undertaken.

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The prospect falls within M59/208 owned 100% by Mt Magnet Gold Pty Ltd Recently operating mine site. There are no known impediments to permitting in the area.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> A variety of exploration companies have undertaken work within the Western Queen area including WMC, Equigold, Harmony Gold and Ramelius. Work includes geological interpretation, soil sampling, exploration and resource drilling, geophysical surveys, data collation and modelling.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Archaean gold mineralisation. The WQ, WQ central and WQ south zones are

Criteria	JORC Code explanation	Commentary
		hosted by steeply dipping mafic - ultramafic greenstone stratigraphy. Mineralisation occurs as within a steeply dipping, NNW trending foliated mafic lode/shear zone displaying silica veining and alteration, and disseminated pyrite. The lode sits adjacent to an ultramafic contact.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> See Table 1 of this release for drilling information.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Assay results are reported using a length-weighted average. Drilling results have been reported at a 0.5g/t au cut-off grade. No high grade cuts have been applied. No metal equivalents have been reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> Reported intersections are downhole lengths which are likely to represent 80-100% of true thickness. The main target veins are mostly vertical or steeply dipping and all drill holes are drilled at an angle of -60°.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Due to the very small program, no diagrams were included.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All exploration results from the completed program are reported.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Western Queen area has had extensive exploration including soil sampling, surface sampling, geophysical surveys, exploration and resource drilling.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Monax is planning further drilling at the project.

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 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(76)	(452)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(64)	(460)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	6
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)		
1.9 Net cash from / (used in) operating activities	(138)	(906)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	31
	(b) tenements (see item 10) *	22	44
	(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)		
2.6	Net cash from / (used in) investing activities	22	72

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	328	880
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	(27)	(81)
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)		
3.10	Net cash from / (used in) financing activities	301	799

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	281	501
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(138)	(906)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	22	72
4.4	Net cash from / (used in) financing activities (item 3.10 above)	301	799
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	466	466

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	347	113
5.2 Call deposits	119	168
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	466	281

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	54
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	

Managing Director fees and Superannuation Non Executive Director's consultancy

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	154
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	103
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	257

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E59/2304 Bald Hill	Application	0%	100%

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: ..30 / 04 / 2018.....
(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.