



MONAX MINING LIMITED

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21 May 2018

Mr Chris Dobbs
Advisor, Listings Compliance
ASX Compliance Pty Limited
20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

APPENDIX 5B QUERY

We refer to your letter dated 18 May 2018 in relation to Monax Mining Limited's (ASX:MOX, 'the Entity') Appendix 5B.

The Entity responds as follows to your questions:

- 1. Does MOX expect that it will continue to have negative operating cash flows for the time being and, if not, why not?** No. Negative net operating cash flows for the forward looking quarter directly relate to the drilling program commenced and completed within the current quarter. No expenditure relating to the drilling program is expected in the next reportable forecast quarter.
- 2. Has MOX taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?** Yes. The Entity acknowledges that it retains all of its placement capacity under Listing Rule 7.1A. It believes that it has the ability to successfully place these shares should it require.
- 3. Does MOX expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?** The Entity believes that it is able to continue its current operations and meet its current business objectives for the reasons outlined in questions 1 and 2.
- 4. Please provide any other information that MOX considers may be relevant to ASX forming an opinion on whether MOX is complying with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).** The Entity is not aware of any further information that may be relevant to the ASX forming an opinion of the Entity in regards to Listing Rule 12.2.

5. Please confirm that MOX is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market. The Entity is complying with Listing Rule 3.1. There is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

6. Please confirm that MOX's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of MOX with delegated authority from the board to respond to ASX on disclosure matters.

The Entity confirms that the responses requested by the ASX and provided above, have been made by an officer of the Entity with delegated authority from the Board to respond to the ASX on disclosure matters.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Kaitlin Smith', written in a cursive style.

Kaitlin Smith
Company Secretary



18 May 2018

Ms Kaitlin Smith
Company Secretary
Monax Mining Limited
Level 3, 100 Pirie St
Adelaide SA 5000

By email: ksmith@adelaideequity.com.au

Dear Ms Smith

Monax Mining Limited ('MOX'): Appendix 5B Query

I refer to MOX's Appendix 5B quarterly report for the period ended 31 March 2018 lodged with ASX Market Announcements Platform on 30 April 2018 (the 'Appendix 5B').

ASX notes that MOX has reported:

- negative net operating cash flows for the quarter of \$138,000;
- cash at the end of the quarter of \$466,000; and
- estimated cash outflows for the next quarter of \$257,000.

It is possible to conclude, based on the information in the Appendix 5B that if MOX were to continue to expend cash at the rate indicated by the Appendix 5B MOX may not have sufficient cash to continue funding its operations.

In view of that, ASX asks MOX to respond separately to each of the following questions and requests for information:

1. Does MOX expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has MOX taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does MOX expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that MOX considers may be relevant to ASX forming an opinion on whether MOX is complying with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that MOX is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that MOX's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of MOX with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9:30 AM AEST on Tuesday, 22 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MOX's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MOX's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at chris.dobbs@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to MOX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that MOX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MOX's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Regards

Chris Dobbs

Adviser, Listings Compliance (Sydney)