MONAX MINING LIMITED
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31 October 2018

Monax Mining Limited
Quarterly Report
For the quarter ended 30 September 2018

HIGHLIGHTS

- **Agreement to farm-in to Limestone Well Vanadium project in the Murchison**
- **Orientation sampling and a ground magnetic survey completed at Limestone Well post quarter end**
- **Drilling planned to commence at Limestone Well in December quarter**
- **Results received for rock and soil sampling Moolyella Lithium Project, WA**
- **Monax continues to assess new project opportunities**

Corporate

In the three months to 30 September 2018, Monax expended $146,000 on mineral exploration and corporate costs.

As at 30 September 2018, Monax has a cash balance of $0.23 million.

Exploration

During the quarter, Monax agreed terms to Farm-in to two tenements at **Limestone Well** located 90km south east of Meekatharra, WA and held by Mithril Resources Limited. The project adjoins the Barrambie Titanium/Vanadium Project held by Neometals Limited.

The Tenements are prospective for titanium/vanadium deposits, similar to the Barrambie Titanium/Vanadium Project immediately to the south and the Gabanintha Vanadium Project 45km to the north west.

Neometals' Barrambie Project has a high grade vanadium Mineral Resource of 64.9mt at 0.82% V_2O_5 and 16.9% TiO_2 (Note 1).

The two exploration licences held by Mithril Resources Limited cover approximately seven kilometres of magnetic stratigraphy that is prospective for vanadium and titanium. Monax can earn a 60% interest by expenditure of $1.5m over three years. If Mithril elects not to contribute at 40%, Monax may then earn a further 20% by expenditure of a further $1m over a further two years.

The tenements have had limited base metals and gold exploration completed over them and no previous exploration for vanadium. They represent an excellent target for the discovery of vanadium mineralisation in a proven vanadium belt.

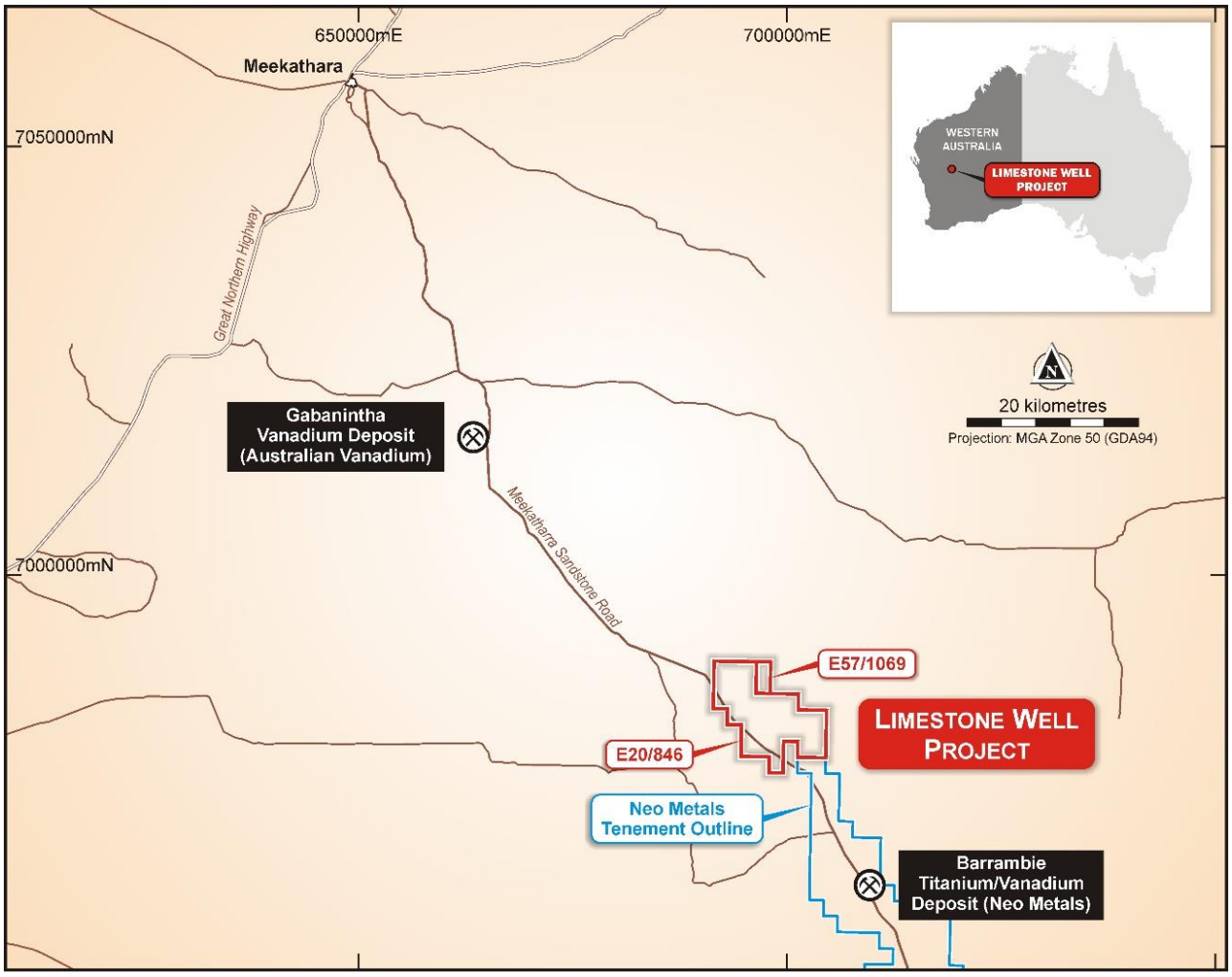

Figure 1: Limestone Well project location plan

Post quarter end, the Company completed orientation sampling and a ground magnetic survey over E20/846, covering the main magnetic stratigraphy. A total of 32 soil samples were collected over two lines and have been submitted for multi-element analysis.

The Company contracted Southern Geoscience (geophysical consultants) to complete a ground magnetic survey over E20/846. The ground magnetics is designed to more clearly define magnetite targets, the major host for vanadium mineralisation in the Murchison district.

The results of the ground magnetic survey are currently being interpreted and will allow the Company to more efficiently test its drill targets in the coming months.

It is expected that a drill program can commence in late November or December 2018.

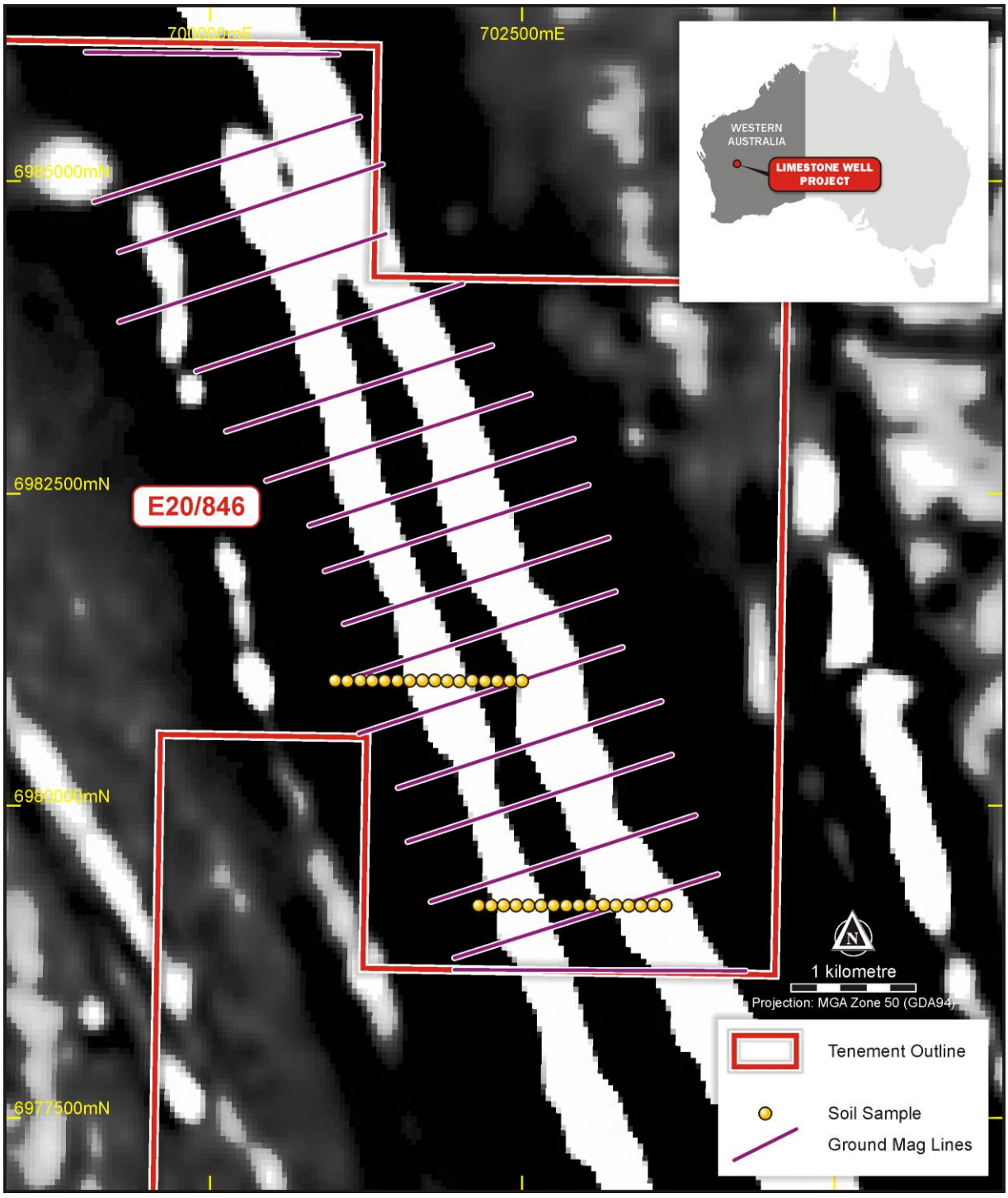

Figure 2: Limestone Well Project Magnetic Image showing ground magnetic survey

Moolyella Lithium Minerals Project

The Company has an option agreement to acquire a 90% interest in E45/4462 located at Moolyella in the Pilbara WA (Figure 2).

Under the agreement terms, Monax will pay $18,000 for an option to purchase 90% of E45/4462 until 31 December 2018, which can be extended to 31 December 2019 by a further payment of $30,000. The 90% interest in E45/4462 may be purchased by Monax at any time during the option period, or the extended option period, by payment of $50,000 and the issue of 15m shares in Monax to the tenement holder.

The Moolyella Project is located approximately 20km east of Marble Bar and consists of one Exploration Licence covering 90km^2, giving a substantial holding in the emerging hard rock lithium region. The licence was subject to extensive tin and tantalum production from the late 1890's until 1986.

The area has had limited exploration for lithium with the only work completed being rock chip sampling of outcropping pegmatites and some soil samples. This work returned anomalous lithium, tin and tantalum (see Monax release dated 23 May 2018).

Monax completed a field visit to its Moolyella project in the Pilbara and has taken fourteen samples of outcropping pegmatites. Results for these samples are detailed in Table 1 below.

The results demonstrate that the pegmatites at Moolyella are lithium, tin and tantalum bearing with two samples highly anomalous in lithium and tin.

Table 1:

Sample UNITS	Easting (m)	Northing (m)	Li ppm	Sn ppm	Ta ppm
MYA001	800636	7658885	337	80	44
MYA002	800584	7658908	1740	160	14
MYA003	800563	7659002	420	80	37
MYA004	800576	7659127	78	50	25
MYA005	800755	7659207	210	70	12.5
MYA006	800798	7659193	57	20	11
MYA007	801282	7659206	3160	710	68.5
MYA008	801282	7659206	70	30	1
MYA009	805803	7653777	32	30	27.5
MYA010	806097	7653748	16	20	26.5
MYA011	805892	7653877	776	60	23.5
MYA012	803201	7657085	66	-10	3
MYA013	801571	7659022	18	20	20.5
MYA014	801684	7659150	27	40	36.5

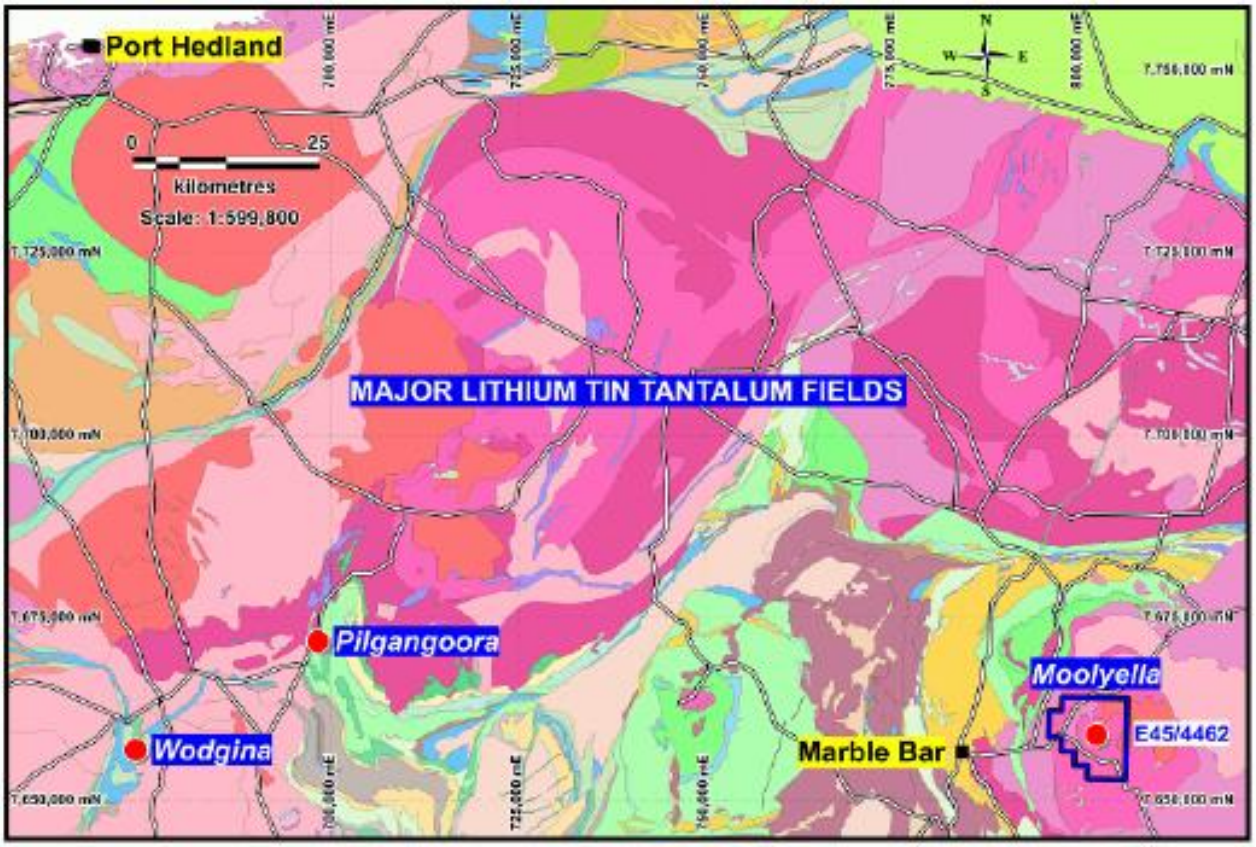

Figure 2: Moolyella location plan

For further information please contact:

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Managing Director
Monax Mining
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Tenement Holdings as of 30 September 2018

Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 30 September 2018.

Monax Mining Limited

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Moolyella	E45/4462	Granted	0%	Option to Purchase 90%	Duketon Consolidated P/L
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#2	EPM 26203	Granted	100%	Disposal Pending	Monax Mining
Bald Hill	E59/2304	Granted	100%		Monax Mining Ltd
Limestone Well	E20/846	Granted	0%	Earning up to 80%	Mithril Resources Ltd
Limestone Well	E57/1069	Granted	0%	Earning up to 80%	Mithril Resources Ltd
Jarrawood	E70/5159	Application	90%	Application	Monax Mining Tregor Pty 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

Note 1: Neometals Limited ASX Release on 17 April 2018. The resource quoted above is a high-grade Vanadium subset of Neometals' total resource for the Barrambie Project of 280.1mt at 9.18% TiO2 and 0.44% V2O5

'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.'

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.*	• Samples comprised material collected from rock chip sampling of outcropping pegmatite rocks
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).*	• No drilling was completed
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.*	• No drilling was completed
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.*	• No drilling was completed
Sub-sampling techniques and sample preparation	• *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.*	• No drilling was completed
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*	• The samples have been fused with sodium peroxide and subsequently the melt has been dissolved in dilute hydrochloric acid for analysis. Because of the high furnace temperatures, volatile elements are lost. • K has been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. • Be,Cs,Ga,Li,Nb,Rb,Sn,Ta,Tl,W have been determined by Inductively

Criteria	JORC Code explanation	Commentary
	lack of bias) and precision have been established.	Coupled Plasma (ICP) Mass Spectrometry. • QAQC measures included certified reference standards which confirmed the accuracy of the analyses.
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.*	• N/A
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.*	• Sample sites were located in MGA94 grid using hand-held GPS
Data spacing and distribution	• *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.*	• N/A
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.*	• N/A
Sample security	• *The measures taken to ensure sample security.*	• 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	• *The results of any audits or reviews of sampling techniques and data.*	• 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	• *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.*	• Sampling was completed on Exploration Licence 45/4462 • Monax has an option to purchase a 90% interest in E45/4462
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• A variety of exploration companies have undertaken work within E45/4462 including sampling and limited drilling
Geology	• *Deposit type, geological setting and style of mineralisation.*	• N/A
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:*	• No drilling was undertaken .

Criteria	JORC Code explanation	Commentary
	○ *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.*	
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.*	• N/A
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').*	• N/A
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.*	• Results are presented in Table format within the Release.
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.*	• All exploration results from the completed program are reported.
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.*	• N/A
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 further to conduct further work at the project which may include geophysics and further sampling

+Rule 5.5

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	**Quarter ended ("current quarter")**
96 110 336 733	30 September 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(14)	(14)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(132)	(132)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	2
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**	**(144)**	**(144)**

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

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10) *		
	(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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares		
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	(3)	(3)
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**	(3)	(3)

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	376	376
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(144)	(144)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(3)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**229**	**229**

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	109	257
5.2	Call deposits	120	119
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)**	**229**	**376**

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	53
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	

Director fees and Superannuation

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	

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**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.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	-
9.2	Development	
9.3	Production	
9.4	Staff costs	
9.5	Administration and corporate costs	120
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**120**

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	E57/1069 WA	Option to purchase Up to 80%	0%	0%
		EL20/846 WA	Option to purchase Up to 80%	0%	0%
		E70/5159 WA	Application	0%	90%

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 / 10/ 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.