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ASX RELEASE

Monax to Raise Equity to Fund Drilling of Parndana IP Anomaly

HIGHLIGHTS

- **Induced Polarisation (IP) survey commenced on Monax's 100% owned Parndana Project.**
- **First line reveals prominent chargeable anomaly associated with gravity feature.**
- **Two further lines to be completed within next 3 - 4 days.**
- **Monax to undertake a 1:4 Entitlement Issue to fund drilling of IP/gravity anomaly on Parndana Project.**

Parndana Project Update

Monax Mining Limited ("Monax") (ASX:MOX) is pleased to announce the commencement of an IP survey on its 100% owned Parndana project, Kangaroo Island.

Monax recently completed a detailed gravity survey over the Parndana project area. A significant anomaly was identified ~1km to the southeast of the known Bonaventura prospect (Figure 1). Processing and inversion modelling of the gravity data delineated a discrete, 1km long dense body (3.1 g/cc), striking 120 degrees with a south-easterly plunge at approximately 300m depth.

Monax's current mineralisation model is a sediment-hosted Zn-Pb-Ag±Cu (SEDEX/MVT) style deposit akin to deposits such as Century and HYC or a hybrid of something therein.

The IP survey comprises three, 2.4km long, NE-SW trending section lines (Figure 1) using a 100m Dipole-Dipole array and high powered transmitter, which provides adequate depth of investigation.

Preliminary modelling of the first line of IP data has defined a chargeable body coincident with the modelled high density source (Figure 2).

Preliminary success of the IP survey provides Monax with additional confidence in the target, and Monax will commence planning for a drill hole to test the anomaly.

Entitlement Issue

Monax is pleased to announce it will be conducting a non renounceable 1 for 4 entitlement issue ("Entitlement Issue" or "Offer") at $0.021 per share to raise up to approximately $0.9 million, with 1 free option being issued for every 2 new shares subscribed for under the Entitlement Issue. The options to be issued under the Offer will be exercisable at $0.042 on or before 29 July 2015. The Company will apply for official quotation of the options.

The Offer, which is not underwritten, will result in approximately 42.8 million new shares and 21.4 million new options being issued if fully subscribed. The Offer price represents a discount of approximately 21.9% to the volume weighted average price ("VWAP") of Monax's shares for the 5 trading days before this announcement.

Shareholders with an address in Australia or New Zealand on the Company's register at the close of business on Thursday, 3 July 2014, will be eligible to participate in the Entitlement Issue ("Eligible Shareholders"). The Company has decided that it is unreasonable to make the Offer to shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of shareholders in such places, the number and value of the new shares that would be offered and the substantial cost of complying with the legal and regulatory requirements in these jurisdictions.

The Directors reserve the right to place any remaining shortfall at their discretion within three months after the close of the Offer. Eligible Shareholders' entitlements pursuant to this Entitlement Issue are non-renounceable and accordingly, they may:

- take up their rights in full or part;
- do nothing; in which case their rights will lapse; or
- take up their rights in full and apply for additional new shares.

Full details of the Entitlement Issue will be set out in the Prospectus which will be lodged by the Company with ASIC and ASX on Friday, 27 June 2014.

Use of Proceeds

The Company will use the funds raised under the Offer to:

- Drill test the IP/gravity anomaly on the Parndana Project;
- Undertake reconnaissance exploration on the western Gawler Craton project; and
- Provide working capital to the Company.

The proposed timetable for the Entitlement Issue is as follows:

EVENT	**DATE**
Prospectus lodged with ASIC and ASX	Friday, 27 June 2014
"Ex" Date	Tuesday, 1 July 2014
Record Date	Thursday, 3 July 2014
Dispatch of Prospectus, and Entitlement & Acceptance Forms to Shareholders, Entitlement Issue opens	Tuesday, 8 July 2014
Closing Date	Tuesday, 22 July 2014
Securities Quoted on a Deferred Settlement Basis	Wednesday, 23 July 2014
ASX Notified of any Under Subscriptions	Friday, 25 July 2014
Issue Date	Tuesday, 29 July 2014
New Shares and Options commence trading on ASX	Wednesday, 30 July 2014

The above timetable is indicative only. Subject to the ASX Listing Rules, the Directors reserve the right to withdraw the Offer at any time, close the Entitlement Issue early or extend the Closing Date for the Offer at their discretion. Should the Offer be closed early or extended, there will be a consequential effect on the anticipated date of issue for the new shares and options.

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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 employed full time by the Company as Managing Director 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.

This announcement contains information previously announced within the following Monax Mining Limited ASX announcement:

- 27 March 2014 – Gravity survey identifies significant anomaly on Monax's Parndana Project.

The Company is not aware of any new information that materially affects the information included within the current announcement.

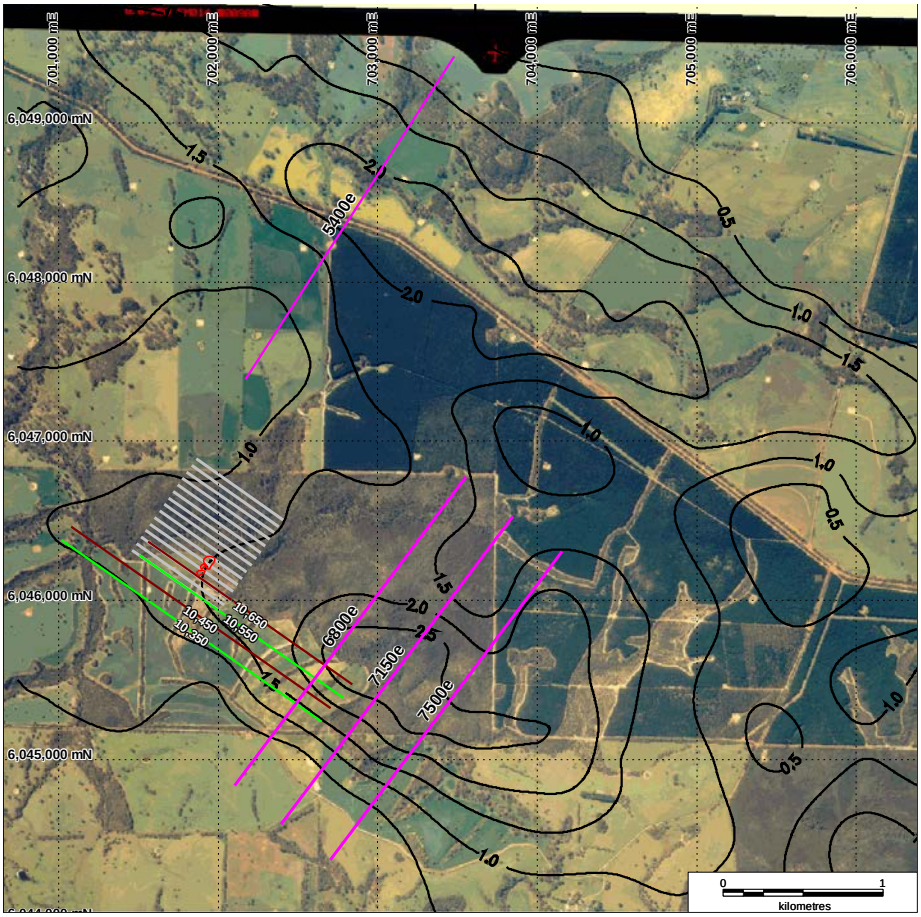

Figure 1. Location of IP survey lines (pink) and gravity contours on Google Earth imagery.

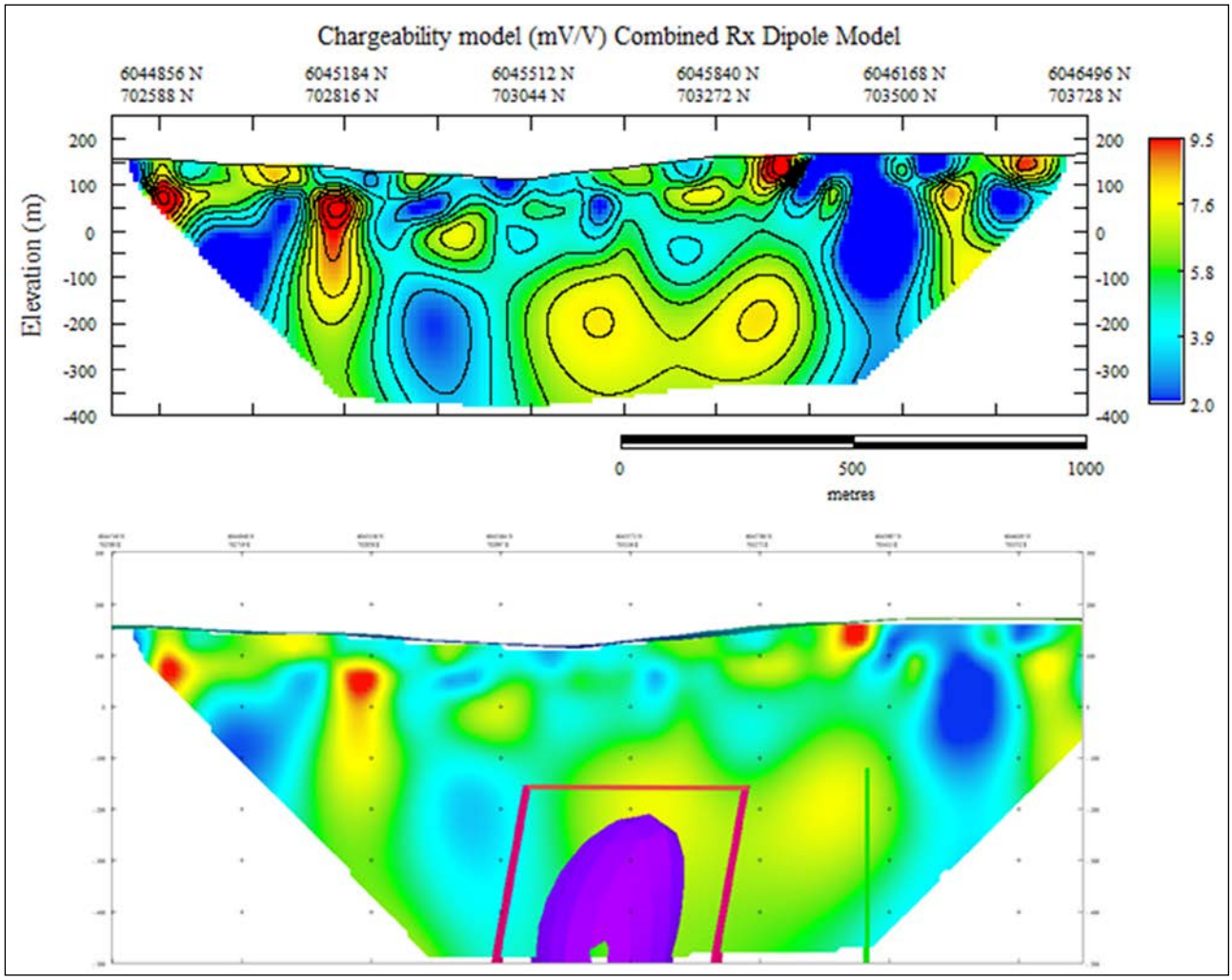

Figure 2. IP section displaying chargeability (top), with a snapshot from the 3D model (bottom) showing the coincident location of the core of the dense body from 3D inversion (purple shell) and outline of the dense body from a profile model of the gravity data (pink trace).

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 for induced polarisation (IP) survey.
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 for induced polarisation (IP) survey.
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 for induced polarisation (IP) survey. .
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.*	• Not Applicable for induced polarisation (IP) survey.

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	
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.*	• Not Applicable for induced polarisation (IP) survey.
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 for induced polarisation (IP) survey.
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 for induced polarisation (IP) survey.
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 53). • Location data was collected using a differential 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.*	• Newly acquired IP data was collected using a Configuration: Transmitter (Tx) Dipole (200m) and a Receiver (Rx) Dipole (100m) with a Transmitter Station Interval of 200m. • Not applicable – data not used for resource estimation.

Criteria	JORC Code explanation	Commentary
	• *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 Exploration Licence 4581 which is owned 100% by Monax Mining Limited. The tenement is located on Freehold Land. • The tenement is free of any known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Initial drilling in the area was undertaken by the South Australian Department of Mines and Energy in 1991. Havilah Resources undertook regional soil and stream geochemical surveys, followed by a drilling program in 2003. Several companies prior to 1990 undertook soil sampling programs in the region.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Sediment hosted silver-lead-zinc style mineralisation.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth*	• Not Applicable for induced polarisation (IP) survey. .

Criteria	JORC Code explanation	Commentary
	o *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.*	• Not Applicable for induced polarisation (IP) survey.
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 for induced polarisation (IP) survey. .
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 location of IP survey area included in this report.
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.*	• Not Applicable for induced polarisation (IP) survey.
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.*	• Data from previous exploration has been previously released..
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 will model newly acquired IP data to assist in outlining possible drilling targets.