



**MONAX
MINING LIMITED**

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For immediate release

21 July 2014

Monax Mining Limited

Quarterly Report

For the quarter ended 30 June 2014

HIGHLIGHTS

- ***Kangaroo Island Project (Silver-Lead-Zinc)***
 - ❖ Induced polarisation (IP) survey completed.
 - ❖ Significant chargeable anomaly coincident with gravity anomaly identified along strike from Bonaventura zinc-lead prospect.
- ***Millers Creek Designated Project (Copper-Gold)***
 - ❖ Detailed heli-borne magnetic survey completed over Oliffes Dam target.
 - ❖ Approvals process commenced for planned drilling program.
- ***Punt Hill Project (Copper-Gold)***
 - ❖ Chilean major, Antofagasta reaches 51% earn-in for Punt Hill Project.
 - ❖ Gravity survey completed.
- ***Phar Lap Project (Copper-Gold)***
 - ❖ Memorandum of Understanding signed with Antofagasta for early stage exploration.
 - ❖ Approvals process commenced for gravity survey and possible drilling.
- ***Corporate***
 - ❖ Antofagasta becomes Monax's largest shareholder after Placement.
 - ❖ Monax sells Waddikee Project to ASX-listed Archer Exploration.

Corporate

In the three months to 30 June 2014, Monax Mining Limited ("Monax") (ASX:MOX) focussed exploration on its 100% owned Kangaroo Island project and its South Australian copper projects in partnership with a wholly owned subsidiary of major Chilean copper producer, Antofagasta plc ("Antofagasta").

During the June Quarter, Monax successfully raised approximately \$736,000 via a Placement and the sale of a non-core asset.

Monax raised \$436,314 via a private placement with Antofagasta Investment Company Limited, a wholly-owned subsidiary of Antofagasta plc ("Antofagasta").

The Chilean major is now Monax's largest shareholder via the placement – which was undertaken pursuant to Monax's 15% capacity under ASX Listing Rule 7.1 - of 17,110,346 shares at \$0.0255 per share.

During the June Quarter, Monax sold its Waddikee Project to Archer Exploration ("Archer") for a total consideration of \$300,000. Archer has paid a \$10,000 deposit with the remaining funds to be paid upon consent of the tenement transfer by the SA Government.

While these steps have improved the Company's financial position, its Directors believe that further capital is required to fund Monax's exploration program for the Parndana and western Gawler Craton projects.

On 20 June 2014, Monax announced it is conducting a non-renounceable 1 for 4 entitlement issue ("Entitlement Issue") at \$0.021 per share to raise up to approximately \$0.9 million, with 1 free option being issued for every two new shares subscribed for under the Entitlement Issue. The options to be issued will be exercisable at \$0.042 on or before 29 July 2015.

Monax notes and welcomes the passage in Federal Parliament of amendments to the Defence Legislation allowing from next month, access by mineral explorers to the considerable untapped resource riches contained within the Woomera Prohibited Area (WPA). Monax is a first mover into the WPA – a defence zone covering 127,000km² of acreage, highly prospective for copper, as well as other base and precious metals.

As at 30 June 2014, Monax had a cash balance of \$1.2 million. During the quarter \$340,000 was spent on exploration.

Exploration

South Australian projects

Monax has seven South Australian projects (Figure 1).

1. **Punt Hill – copper-gold (farm-in with Antofagasta).**
2. **Monax | Antofagasta Strategic Alliance (includes Millers Creek Designated Project).**
3. **Phar Lap – copper-gold.**
4. **Kangaroo Island – silver-lead-zinc**
5. **Yorke Peninsula – copper-gold (includes Melton JV with Marmota Energy).**
6. **Western Gawler Craton – nickel-copper.**
7. **Reedy Lagoon – copper-gold (term sheet signed with FMG Resources Pty Ltd).**

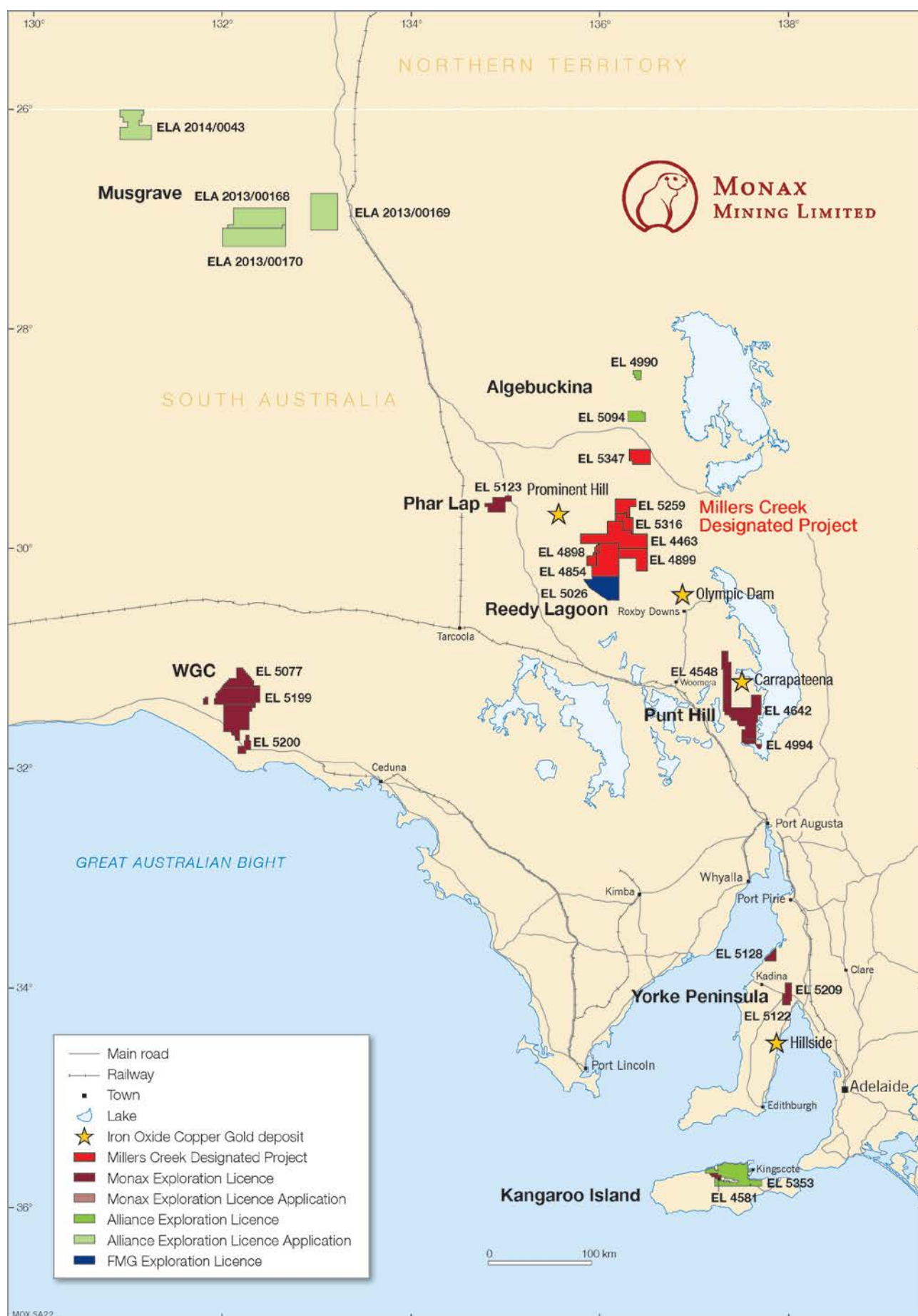


Figure 1. Location of Monax's projects as of 30 June 2014.

**Parndana Project – silver-lead-zinc
(Monax 100%)**

During the quarter, Monax completed an IP survey over the gravity anomaly defined approximately 1km to the southeast of its Bonaventura prospect on EL 4581 on Kangaroo Island. Monax has previously reported high-grade zinc and lead drilling results from the Bonaventura prospect (see ASX Release).

The Bonaventura prospect is located at the flexure within the Cygnet-Snelling Shear Zone (CS-SZ), a prominent east-west trending crustal scale structure (Figure 2). The CS-SZ is the interpreted southern margin of the Gawler Craton, and is marked by a clear zone of low magnetic intensity.

Mineralisation at Bonaventura comprises NNE trending zones of coarse sphalerite (zinc sulphide) and galena (lead sulphide) bearing quartz vein stockworks and disseminations within a silicified sandstone host rock. Exploration to date has focused around historical workings and near surface mineralisation.

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

Preliminary modelling of the IP data has defined a chargeable body which is coincident with the modelled high density source (Figure 3).

Monax has commenced the land access process and plans to drill this target in the current quarter.

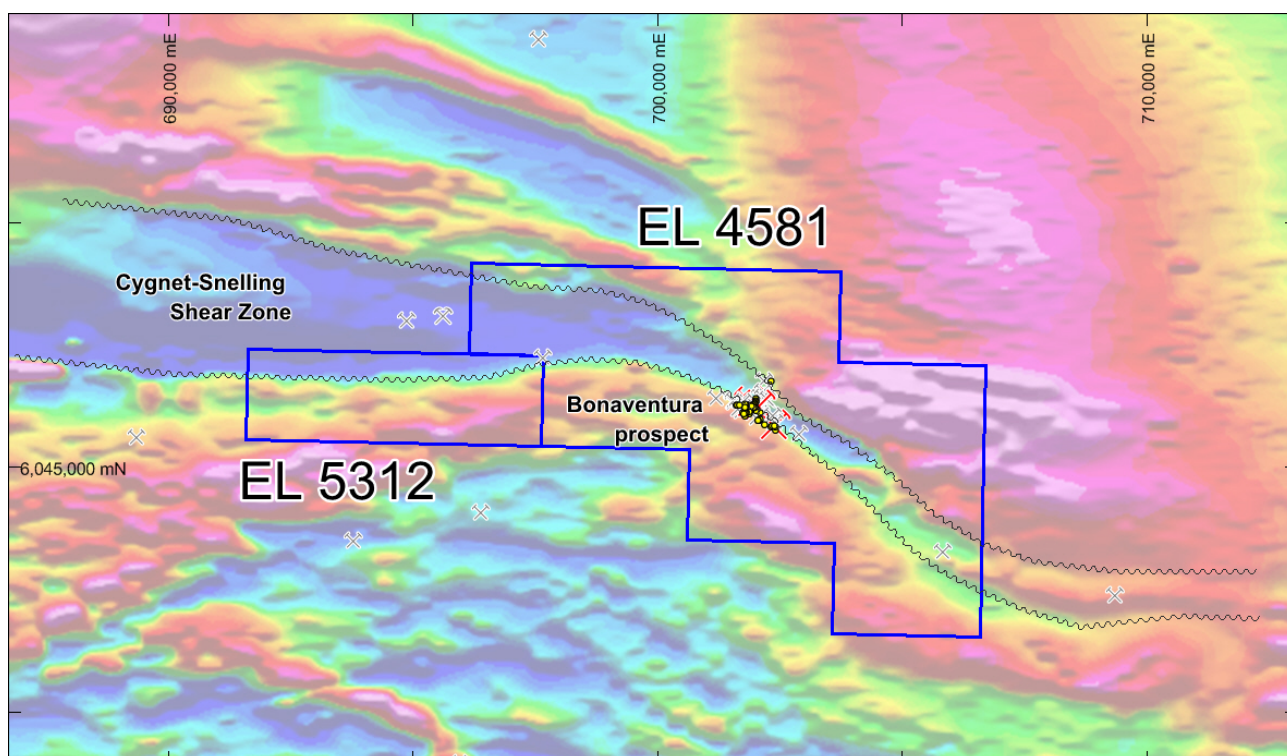


Figure 2. Monax's Parndana Project location showing the Bonaventura prospect (drill holes - yellow dots) and Cygnet-Snelling Shear Zone. Background – Total Magnetic Intensity (residual1000).

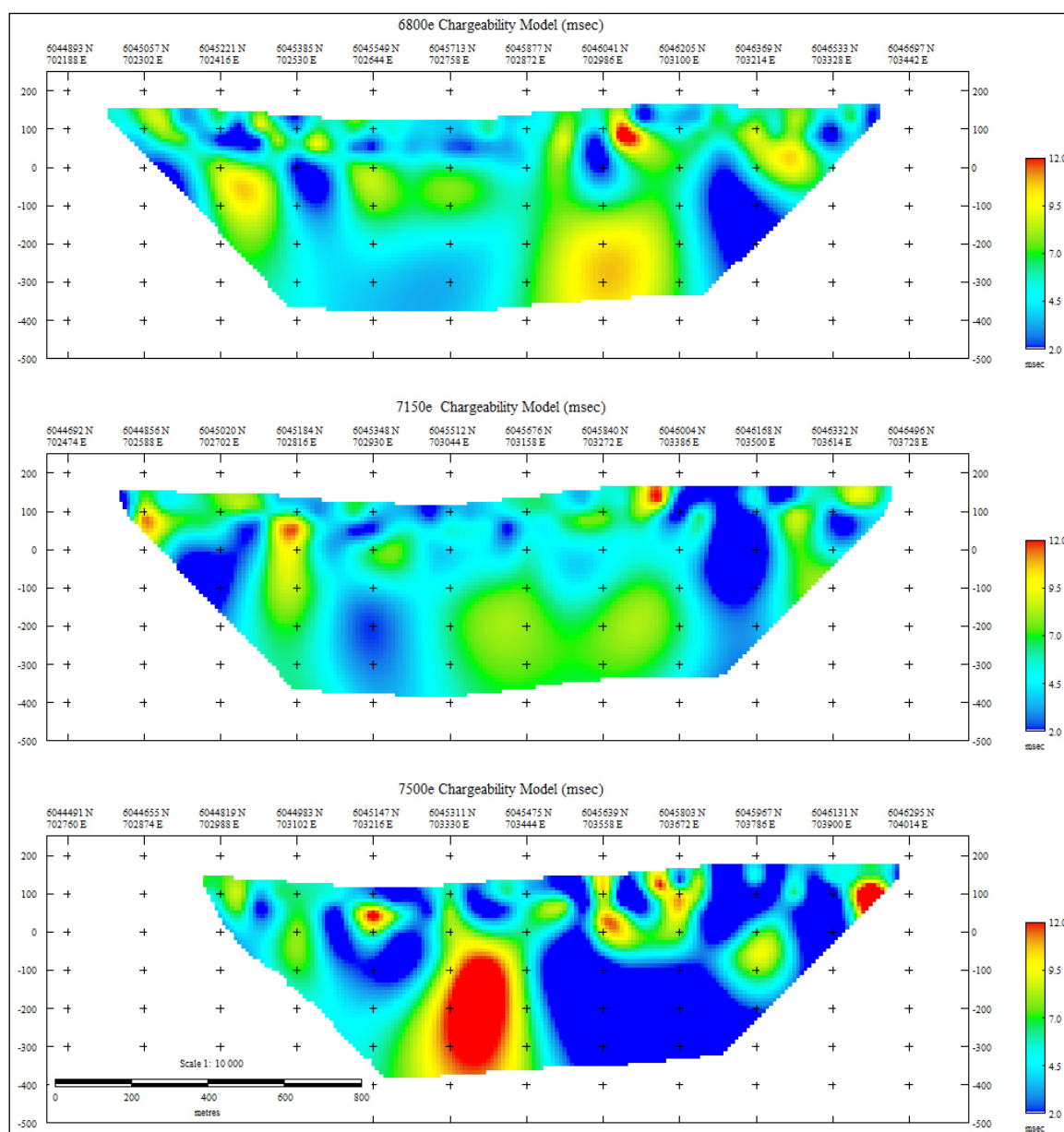


Figure 3. Stack model display of combined receiver dipole (100m and 200m) chargeability data. Note increase in the chargeable body on the most eastern line (7500).

***Punt Hill Project – copper-gold
(Monax 49%; Antofagasta 51%)***

The Punt Hill Project is located within the highly prospective Olympic IOCG Province on the eastern margin of the Gawler Craton in northern South Australia. This province is host to the world class Olympic Dam mine and the Prominent Hill mine, as well as the Carrapateena and Hillside deposits.

The Punt Hill Project is subject to a farm-in agreement with a wholly-owned subsidiary of Antofagasta. Antofagasta has earned 51% interest in the Project by providing funding in excess of its initial US\$4 million Phase One Earn-In commitment.

Monax and Antofagasta have approved the next phase of exploration which will include detailed ground gravity surveys over two areas followed by drilling at two targets (Groundhog and Bottle Hill).

The gravity survey was completed at the end of the quarter and the data is currently being interpreted. Monax has commenced the approvals process for drilling in the current quarter.

Monax | Antofagasta Strategic Alliance – copper

Monax continues to review potential copper projects within South Australia.

Millers Creek Designated Project

During the previous quarter, Monax announced the establishment of a Designated Project (“Millers Creek DP”) with its Strategic Alliance partner, Antofagasta, via its wholly-owned subsidiary, Monax Alliance Pty Ltd (“Alliance”).

The Millers Creek DP comprises three Alliance tenements together with four ASX-Listed Maximus Resources (ASX:MXR) tenements located within the WPA in northern South Australia, totalling 3165km² (Figure 1).

During the June quarter, a detailed heli-borne magnetic survey was completed. Modelling of the magnetic and the recently acquired detailed gravity data has outlined an IOCG target at Oliffes Dam.

The Monax | Antofagasta Technical Committee has approved a drill hole to test this target.

Monax has commenced the approvals process and a successful Aboriginal heritage clearance was undertaken with the Arabana Native Title Group during the quarter.

Monax plans to drill the Oliffes Dam target in late August to early September.

Alliance Projects

Currently, Alliance is reviewing the Musgrave Project (see Figure 1).

Musgrave Project

Alliance has four tenement applications within the Musgrave Province covering an area totalling 4206km² (see Figure 1). Alliance will be targeting copper and copper-nickel deposits.

The Musgrave Project is at an early stage of evaluation by Alliance and has not yet been approved as a Designated Project by Antofagasta.

Antofagasta has withdrawn its interest in the Kangaroo Island Alliance Project and Monax is in the process of transferring EL 5353 back to the Company.

**Phar Lap Project – copper-gold
(Monax 100%)**

During the quarter, Monax signed a MOU with a wholly-owned subsidiary of Antofagasta to cover early exploration on the Phar Lap tenement. EL 5123 (Phar Lap) is located approximately 60km WNW of Prominent Hill on the southwestern margin of the Mt Woods Inlier in northern South Australia. Previous gravity and magnetic surveys outlined two potential IOCG targets.

Monax has commenced the approvals process and an Aboriginal heritage survey and a detailed gravity survey, both funded by Antofagasta, are planned for the current quarter.

Based on the results of the gravity survey, Antofagasta will decide whether to continue exploration under a Farm-In Agreement.

Other Projects

No work was undertaken on Monax's other projects during the June quarter.

For further information please contact:

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Managing Director
Monax Mining
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'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 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.'

Tenement Holdings as of 30 June 2014

During the quarter, Monax applied for a tenement in NW Queensland (EPM 25671). The Waddikee tenement (EL 4662) is still listed below, but Monax sold the tenement to Archer Exploration and Monax is awaiting Ministerial approval for the tenement transfer. Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 30 June, 2014.

Monax Mining Limited

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Punt Hill	EL 4642	Granted	100%*	JV with Antofagasta	Monax Mining
Yeltacowie	EL 4548	Granted	100%*	JV with Antofagasta	Monax Mining
Whittata	EL 4994	Granted	100%*	JV with Antofagasta	Monax Mining
Waddikee	EL 4662	Granted	100%	Currently being transferred to Archer Exploration	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
Webling Bay	EL 5128	Granted	100%		Monax Mining
Western River	EL 5312	Granted	100%		Monax Mining
Western River Cove	EL 4530	Granted	100%		Monax Mining
Parndana	EL 4581	Granted	100%		Monax Mining
Phar Lap	EL 5123	Granted	100%		Monax Mining
Nullarbor	EL 5077	Granted	100%		Monax Alliance P/L
North Yalata	EL 5199	Granted	100%		Monax Alliance P/L
East Yalata	EL 5200	Granted	100%		Monax Alliance P/L
Llewellyn Creek	EPM 25671	Application	100%		Monax Mining

* 51% interest in the Punt Hill tenements currently being transferred to Antofagasta

**Marmosa Pty Ltd (a wholly-owned subsidiary of Marmota).

Monax Alliance Pty Ltd

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Douglas Creek	EL 5094	Granted	Monax 49%; Antofagasta 51%	JV with Antofagasta	Monax Alliance P/L
Old Umbum	EL 4990	Granted	Monax 49%; Antofagasta 51%	JV with Antofagasta	Monax Alliance P/L
Parndana	EL 5353	Granted	100%		Monax Alliance P/L
Hunts Bore	EL 5259	Granted	100%		Monax Alliance P/L
Dermoddy Bore	EL 5316	Granted	100%		Monax Alliance P/L
Margaret Dam	EL 5347	Granted	100%		Monax Alliance P/L
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
Amata	ELA 2014/43	Application	100%		Monax Alliance P/L

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Monax Mining Limited

ABN

96 110 336 733

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(341)	(1,357)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(217)	(830)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	29
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	Cash call contributions under JV agreements	365	838
	Other	(7)	38
Net Operating Cash Flows		(193)	(1,282)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	(2)
	(c) other fixed assets	-	(14)
1.9	Proceeds from sale of: (a) prospects	10	10
	(b) equity investments	125	511
	(c) other fixed assets	-	-
1.10	Loans to other entities	12	8
1.11	Loans repaid by other entities	-	116
1.12	Other (provide details if material)	-	-
Net investing cash flows		147	629
1.13	Total operating and investing cash flows (carried forward)	(46)	(653)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(46)	(653)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	436	554
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Costs from issue of shares, options etc.	(2)	(38)
	Net financing cash flows	434	516
	Net increase (decrease) in cash held	388	(137)
1.20	Cash at beginning of quarter/year to date	850	1,375
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,238	1,238

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	159
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation), legal fees paid to a legal firm in which a director is a partner, contributions to Joint Venture expenditure made to a related party and service fee payments to an associated entity.

The amount at 1.24 above represents costs to be recovered in relation to shared facilities from a related entity and provision of exploration management services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Marmota Energy Limited pursuant to the Farm-In and Joint Venture Agreements for EL 5122 and EL 5209 has incurred on an accruals basis \$nil in the quarter ending 30 June 2014.

Antofagasta Minerals S.A. pursuant to the Farm-In Option Agreement – Punt Hill Project for EL 4642 and EL 4548 has incurred on an accruals basis \$55,731 in the quarter ending 30 June 2014.

Monax Alliance Pty Ltd on behalf of Monax Mining Limited and Antofagasta Minerals Adelaide Pty Ltd has incurred on an accruals basis approximately \$141k for the Millers Creek Designated Project (EL 4463, EL 5259, EL 5347, EL 5316, EL 4899, EL 4898, EL 4854).

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	1,000
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	1,200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	721	233
5.2 Deposits at call	515	615
5.3 Bank overdraft	-	-
5.4 Other (provide details)	2	2
Total: cash at end of quarter (item 1.22)	1,238	850

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL 5176	Relinquished	100%	0%
6.2	Interests in mining tenements acquired or increased	EPM 25671	Application	0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	171,257,603	171,257,603		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	17,110,346	17,110,346		
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	425,000 225,000 325,000	Nil Nil Nil	Exercise Price \$0.0917 \$0.051 \$0.053	Expiry Date 05/03/2015 28/07/2016 23/07/2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				

+ See chapter 19 for defined terms.


Appendix 5B

Mining exploration entity quarterly report

7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act **or other standards acceptable to ASX** (see note 4).
- 2 This statement does ~~/does not*~~ (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: .21/07/2014.....
(Director/Company secretary)

Print name: Virginia Suttell

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.