



For Immediate Release
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ASX RELEASE

Musgrave Project: Monax secures second Designated Project with Antofagasta

HIGHLIGHTS

- **Monax Alliance signs a memorandum of understanding (MOU) with two private companies over three tenements within the highly prospective Musgrave Province.**
- **Project to become second Designated Project under the Monax | Antofagasta Strategic Alliance.**
- **Tenements are located along major crustal structures and contain known and interpreted prospective Giles Complex rocks.**

Australian exploration company, Monax Mining Ltd (ASX:MOX), today announced the establishment of a Designated Project ("Musgrave DP") with its strategic alliance partner, a wholly-owned subsidiary of major Chilean copper producer Antofagasta plc ("Antofagasta"), via its wholly-owned subsidiary, Monax Alliance Pty Ltd ("Alliance").

The Musgrave DP comprises three tenements totalling 2195km² in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, in the far northwest of South Australia (Figure 1).

Alliance signed an MOU with Rasp Resources NL and Musgrave Mining Pty Ltd (Rasp/Musgrave) for the three tenements (refer Table 1).

Terms of the MOU

Under the terms of the MOU, Alliance can earn an initial 51% interest in the tenements by spending US\$4 million within three years after the grant of the first tenement.

Upon earning a 51% interest in the tenements, Alliance has the right to earn a further 29% interest (for a total of 80%) by expending a further US\$5 million within four years.

Upon reaching an 80% interest in the tenements, Alliance and Rasp/Musgrave can form a joint venture where each company funds exploration pro-rata (80:20); or if Rasp/Musgrave elect not to contribute, Alliance can purchase individual tenements for US\$10 million each (for a maximum of US\$30 million) for a 100% interest in the tenement (Decision to Mine payment) payable by Alliance upon Alliance approving a Decision to Mine.

These tenements were selected based on the following criteria:

- Favourable location and interpreted prospectivity. All three tenements are located within or close to major crustal structures evident in magnetic data (Figure 2),
- The tenements contain known and interpreted Giles Complex rocks, which are considered highly prospective for copper-nickel mineralisation,
- The tenements have received no modern exploration (the Applications date back to 1997),
- Interpreted shallow depth to prospective basement rocks. Much of the tenement area is interpreted to be covered by thin post-mineralisation sediments, and therefore amenable to exploration using modern surface sampling techniques including soil and lag sampling, thereby allowing relatively quick and inexpensive exploration programs, and
- Presence of the Nebo-Babel nickel-copper deposit and Succouth copper prospect in Western Australian extension of this geological terrane highlights the prospectivity for copper-nickel mineralisation within Giles Complex rocks.

Background

The Alliance is a wholly-owned subsidiary of Monax Mining Limited, and was established as the operational vehicle of the strategic alliance between Monax and Antofagasta.

Under the terms of the alliance, which commenced in November 2011, Antofagasta committed US\$1 million to the Alliance over two years for target-generation within South Australia. In September 2013, Antofagasta agreed to extend the Alliance for an additional twelve months by expending up to US\$400,000.

Properties which are identified as a project of interest become a Designated Project ("DP"). Once a DP has been formed, Antofagasta will have acquired a 51% interest and Monax a 49% interest in the project.

Antofagasta will then have the option to earn an additional 19% of any DP (for a cumulative 70% interest) by spending a further US\$4 million within three years. At this stage, Antofagasta will make a cash payment (success fee) to Monax of US\$3 million.

Upon vesting its interests at 70% Antofagasta and 30% Monax, both parties have the right to maintain their interest by contributing to exploration or development costs pro rata or dilute in accordance with a standard dilution formula.

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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.

Table 1. Tenement details.

ELA No.	Size km ²	Holder
1997/155	1120	Musgrave Mining Pty Ltd
1997/190	646	Musgrave Mining Pty Ltd
1997/245	429	Rasp Resources NL

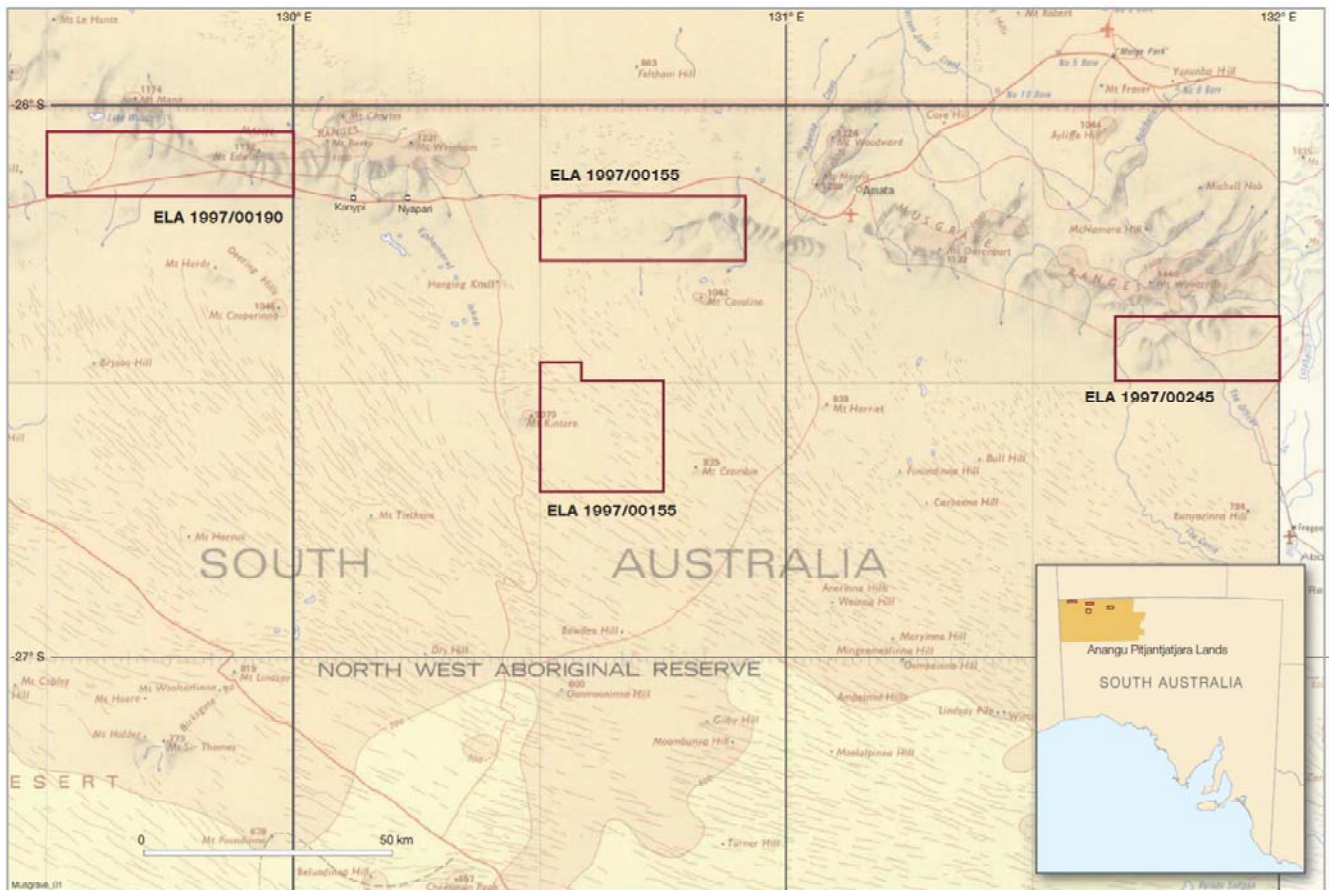


Figure 1. Location of three Tenements within the APY Lands, NW South Australia covered under the MOU with Rasp Resources NL and Musgrave Mining Pty Ltd.

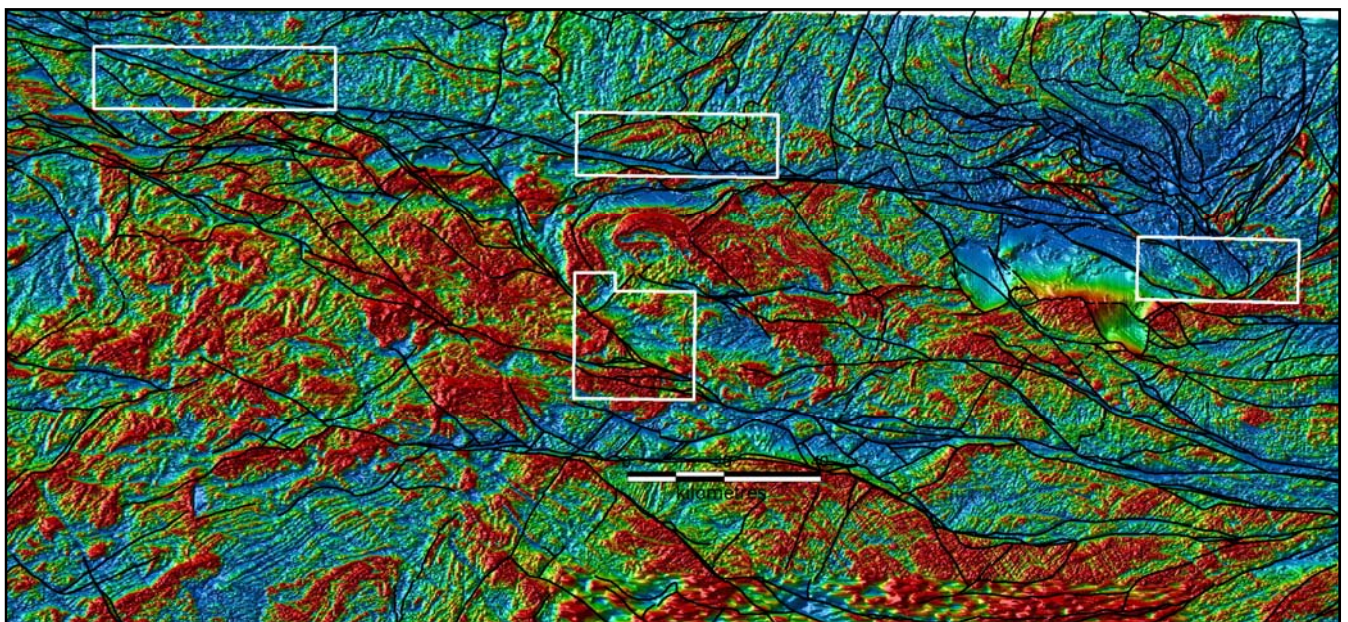


Figure 2. Location of Rasp/Musgrave tenements on total magnetic intensity (TMI) image with interpreted major structures (black lines). TMI from Department of State Development GIS data.