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**For immediate release**

Friday 31 October 2014

# Monax Mining Limited

## Quarterly Report

For the quarter ended 30 September 2014

### HIGHLIGHTS

- ***Punt Hill (Copper-Gold)***
  - ❖ Detailed gravity survey completed.
  - ❖ Aboriginal heritage survey completed.
  - ❖ Drilling commenced.
- ***Parndana Project (Zinc-Lead)***
  - ❖ Dipole-dipole induced polarisation (IP) and micro-gravity surveys completed.
  - ❖ Two hole drilling program completed.
  - ❖ Gradient-array IP survey completed.
- ***Phar Lap Project (Copper-Gold)***
  - ❖ Gravity survey completed.
- ***Monax / Antofagasta Strategic Alliance (Copper)***
  - ❖ Monax secures second Designated Project within Musgrave Province.
- ***Corporate***
  - ❖ Successful Rights Issue completed raising \$900,000 (less costs).
  - ❖ Funds received for sale of Waddikee Project.

## Corporate

In the three months to 30 September 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 September Quarter, Monax announced the establishment of a Designated Project ("Musgrave DP") with its strategic alliance partner, Antofagasta, via its wholly-owned subsidiary, Monax Alliance Pty Ltd ("Alliance"). This is the second Designated Project under the strategic Alliance with Antofagasta.

During the September Quarter, Monax successfully raised approximately \$900,000 (before costs) via a Rights Issue and shortfall Placement.

During the June Quarter, Monax sold its Waddikee Project to Archer Exploration ("Archer") for a total consideration of \$300,000. Monax received the remaining \$290,000 on the transaction during the September Quarter.

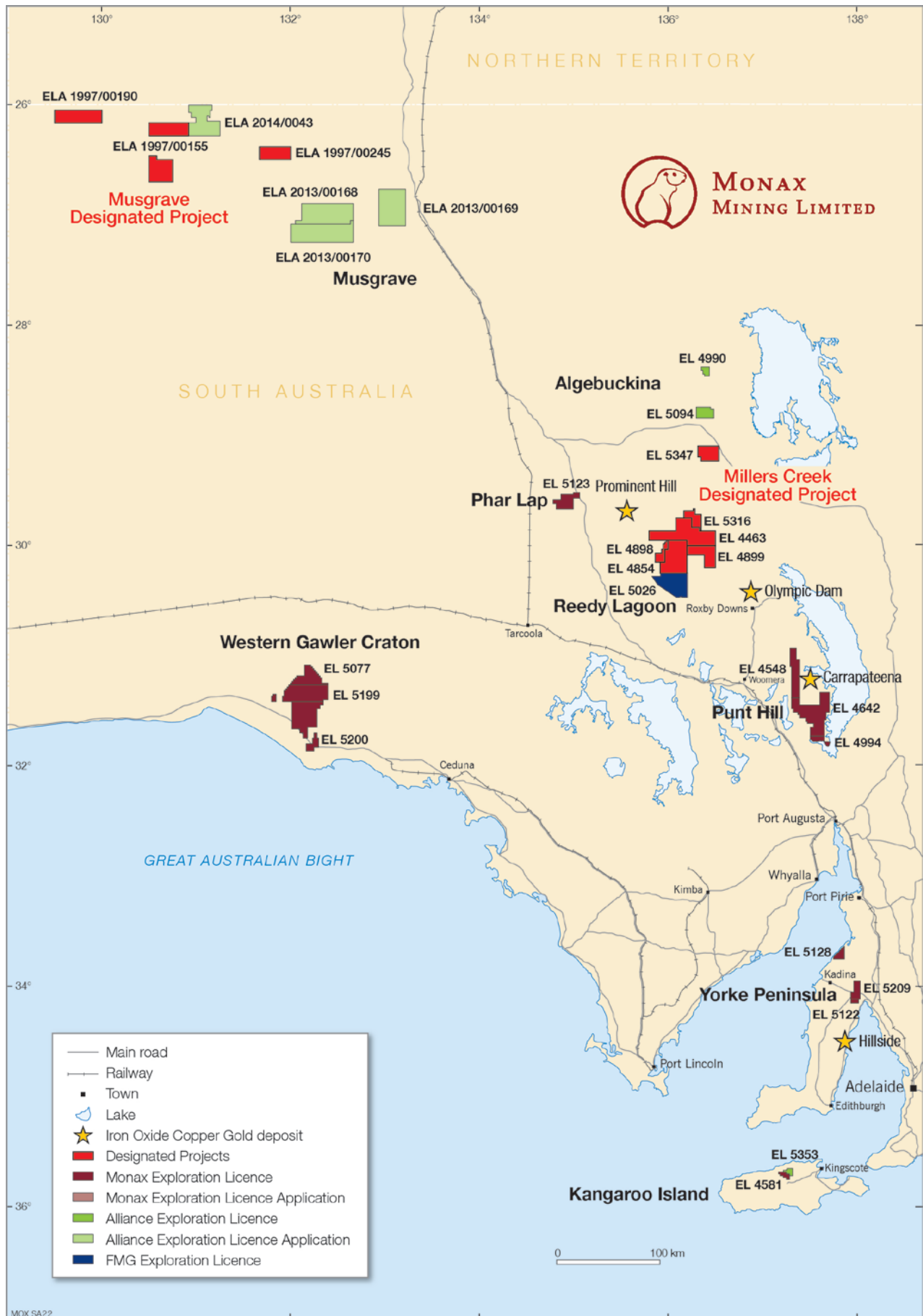
As at 30 September 2014, Monax had a cash balance of \$2.4 million. During the quarter \$703,000 was spent on exploration.

## Exploration

### South Australian projects

Monax has eight South Australian projects (Figure 1).

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



***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.

During the quarter, Monax completed detailed gravity surveys over the Groundhog prospect and the Bosworth area (Figure 2). The gravity data at the Groundhog prospect provided higher quality data to assist with locating a drill hole to follow-up on previous encouraging drilling at the prospect.

The Bosworth area was selected as it is located along a similar structure to the Khamsin prospect, located approximately 10km to the southeast. The gravity survey did not outline a significant gravity anomaly and no further work is planned for this area.

Monax completed a successful Aboriginal Heritage survey during the quarter, clearing drill sites at Groundhog and Bottle Hill.

A two hole diamond drilling program commenced on 25 September with holes planned for the Groundhog and Bottle Hill prospects.

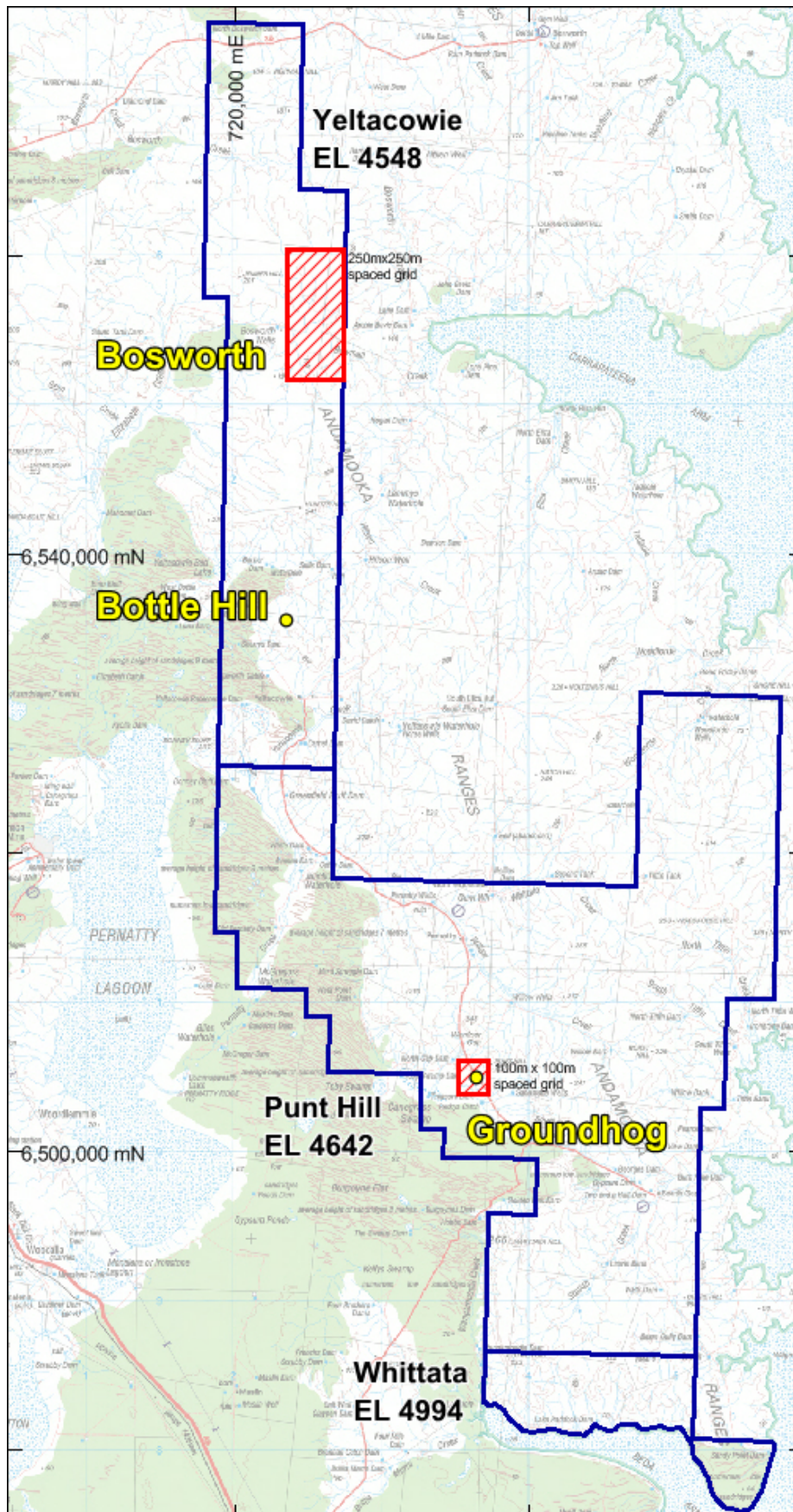
The drill hole at Bottle Hill is designed to follow up on previous drill hole BHDD01 completed in 2011. Two subsequent independent geophysical models of the Bottle Hill target, constrained using the BHDD01 drill hole downhole data, indicate that the gravity anomaly was not adequately tested.

BHDD01 intersected strongly deformed chlorite-hematite altered Donington Suite Granite. This granite is the host rock to the nearby Carrapateena deposit and Khamsin prospect. Deformation observed within BHDD01 is interpreted to show the influence of NW and NE structures, which are understood to be key ingredients in the formation of IOCG systems within the Gawler Craton.

The drill hole at the Groundhog prospect is to follow-up on research undertaken over the past 18 months between Monax and the Geological Survey of South Australia of the Department of State Development (DSD). This research comprised a comprehensive mineral system study at Punt Hill, with particular emphasis on the Groundhog prospect. New detailed geochemical, petrophysical and hyperspectral (HyLogger) data has been used to vector to zones of possible higher-grade mineralisation.

This research, together with detailed logging and mineralogical studies, is showing that potential mineralisation is located further to the north and northwest of the current Groundhog drill holes.

The planned hole will be located to the northwest of the previous drill holes targeting the main part of the gravity anomaly.



**Figure 2. Punt Hill Project – Location of Groundhog and Bosworth gravity survey areas.**



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

During the quarter, Monax completed a dipole-dipole induced polarisation (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 27 March 2014).

During the quarter, Monax completed two diamond drill holes at the Parndana Project (details for drill holes are reported in ASX Release 24 September, 2014).

Hole VDD1401 was drilled to test for a prominent gravity anomaly. The hole did not intersect rocks which would explain the gravity anomaly, suggesting the target is deeper than the modelled depth.

Hole VDD1402 was drilled to test a large chargeable induced polarisation (IP) anomaly. The hole intersected a sequence of greywacke and siltstone with minor quartz veining and sulphides, but insufficient amounts to explain the IP anomaly.

The original dipole-dipole IP survey was based on searching for a potential chargeable body related to the predominantly east-west trending gravity feature, defined by the recent gravity and micro-gravity surveys (see ASX Releases 27 March 2014 & 8 July 2014).

Based on a re-interpretation of the datasets, it is likely that drill hole VDD1402 was drilled at a sub-optimal orientation to the chargeable zone. To assist with locating further drill holes, Monax completed a gradient array IP survey to accurately locate the chargeable anomaly.

Approximately six line kilometres of gradient array IP data was acquired using 50m receiver dipoles along seven east-west oriented survey lines spaced between 100m and 50m apart (further details are presented in Table 1).

Figure 3 (a & b) show the chargeability and resistivity data over the survey area. A prominent chargeable anomaly is shown within the central northern part of the survey area (see Figure 3a) which is linked to a large resistivity anomaly shown in Figure 3b.

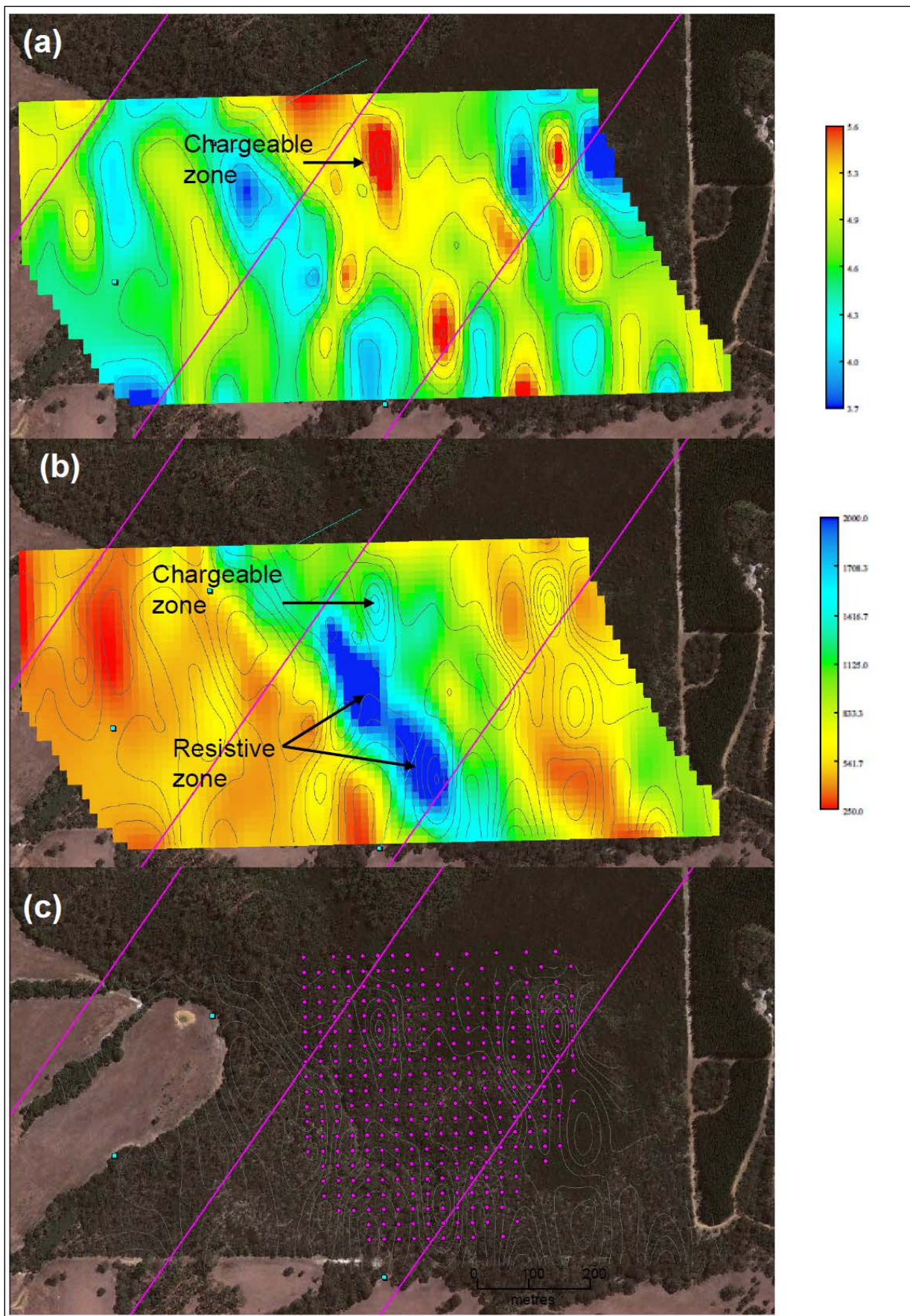
It is clear that the two completed drill holes did not target these zones and the main chargeable anomaly remains untested.

The combination of the gradient array IP and the dipole-dipole IP survey has provided a more accurate location of potential mineralisation related to the chargeable anomaly.

Monax is planning a detailed soil sampling program to test for potential zinc and lead anomalism which may be associated with the chargeable and resistive anomalies.

Mineralisation at the nearby Bonaventura prospect 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 new IP data has revealed a prominent chargeable-resistive zone which trends roughly N-S within 1km from the Bonaventura prospect and warrants further investigation for potential zinc and lead mineralisation.



**Figure 3. Parndana Project – Gradient array IP survey results (a = chargeability) (b = resistivity) and planned soil sample sites (c). Drill hole traces are shown in pale blue lines on a & b. The chargeability contours are shown on all figures.**



## ***Monax / Antofagasta Strategic Alliance – copper***

Monax continues to review potential copper projects within South Australia.

### **Musgrave Designated Project**

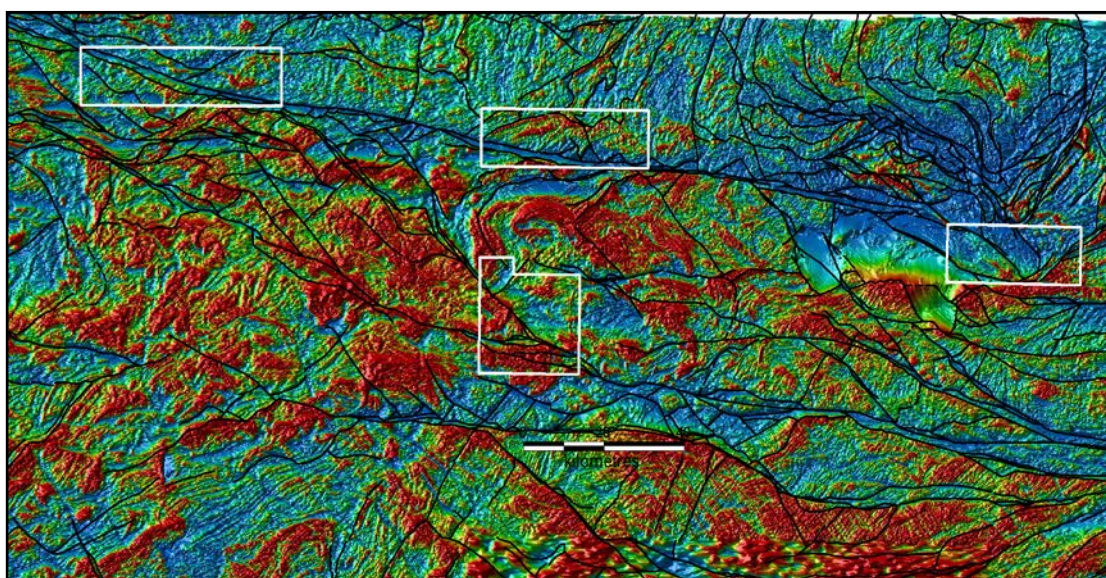
Monax secured a second Designated Project (“Musgrave DP”) with its strategic alliance partner, Antofagasta, via its wholly-owned subsidiary, Monax Alliance Pty Ltd (“Alliance”).

The Musgrave DP comprises three tenements totalling 2195km<sup>2</sup> 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 ASX Release 22 August 2014 for more detail).

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 4),
- The tenements contain known and interpreted Giles Complex rocks, which are considered highly prospective for copper-nickel mineralisation,
- The tenements have received no recent 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 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.



**Figure 4. 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.**

Alliance is currently planning an airborne electromagnetic (AEM) survey for the project and will present the proposed work program to Antofagasta at the next Technical Committee Meeting for approval.



## **Millers Creek Designated Project**

Alliance is currently negotiating a Farm-In Agreement (“Agreement”) with Maximus Resources Limited (ASX:MXR) (“Maximus”) for the Millers Creek Project located in northern South Australia (Figure 1).

The Millers Creek DP comprises two Alliance tenements together with four Maximus tenements.

Monax has previously announced it planned to commence drilling in September 2014. The drilling program has been delayed due to the ongoing negotiation of the Farm-In Agreement.

Monax will update the market when the Farm-In Agreement has been signed.

## **Alliance Projects**

Currently, Alliance is reviewing the four Exploration Licence Applications within the Musgrave Province (see Figure 1).

Alliance has four tenement applications within the Musgrave Province covering an area totalling 4206km<sup>2</sup> (see Figure 1). Alliance will be targeting copper and copper-nickel deposits.

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

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

During the quarter, Monax completed a detailed gravity survey and a heritage survey on the Phar Lap project area.

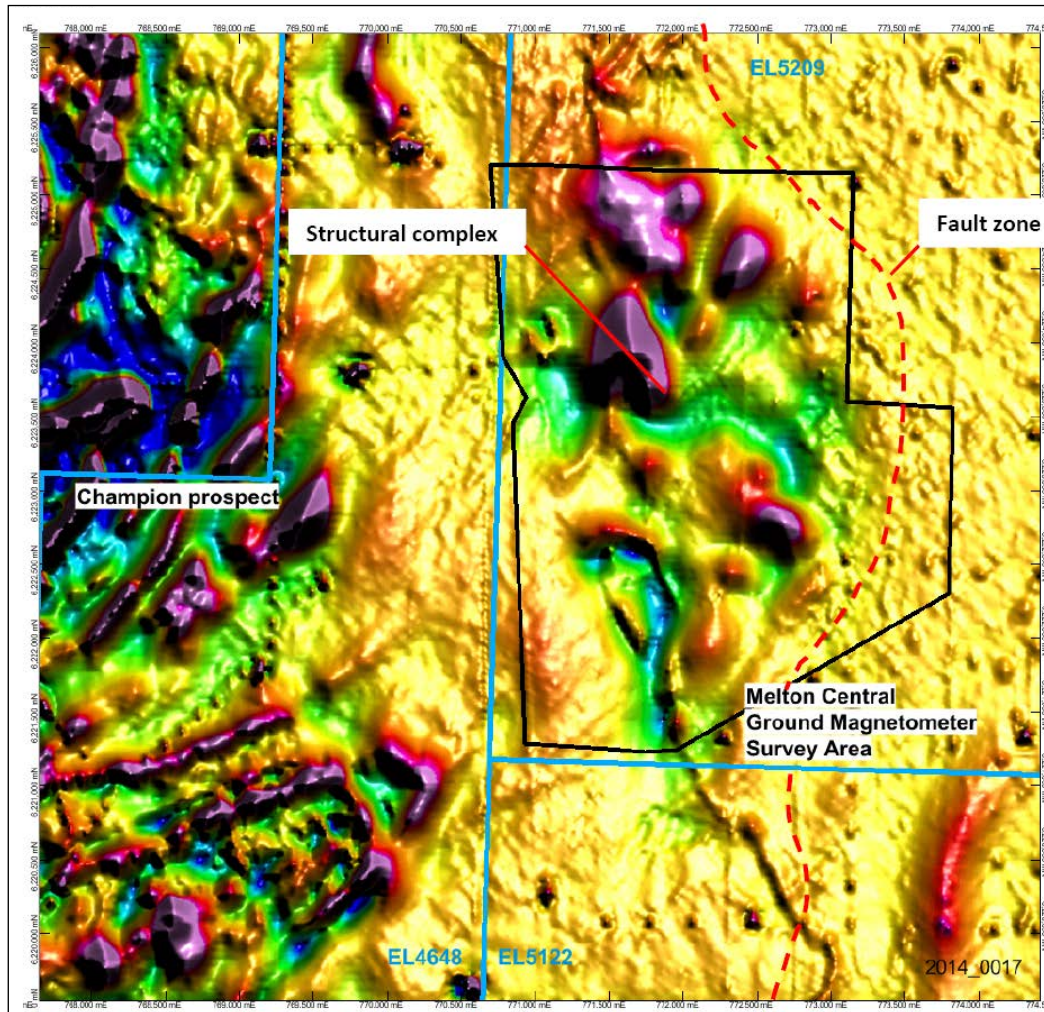
Antofagasta is reviewing the data and will decide whether to continue exploration under a Farm-In Agreement.

### ***Melton Project – copper-gold (Monax 25%; Marmota 75%)***

During the quarter, Marmota Energy Limited (“Marmota”) (ASX:MEU) commenced a ground magnetic survey on the Melton Project.

Marmota undertook a review of the available geophysical data for the project and identified a new target area, Melton Central, located in the southwest corner of EL 5209 (Figure 5). Further detail is contained within Marmota ASX Release 7 July 2014.

Monax and Marmota are planning to complete the ground magnetic survey after the current cropping season and a decision on the next phase of exploration will be made after assessment of the magnetic data.



**Figure 5. Location of Melton Central target on Melton Project (Note: EL 4648 is not part of the Melton Project).**

### ***Other Projects***

No work was undertaken on the Algebuckina, Western Gawler Craton and Webling Bay (EL 5128 – part of Yorke Peninsula Project) Projects during the September quarter.

### **For further information please contact:**

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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 September 2014

During the quarter, Monax applied for a further two tenements in NW Queensland. Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 30 September, 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
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
Parndana	EL 4581	Granted	100%		Monax Mining
Phar Lap	EL 5123	Granted	100%		Monax Mining
Nullarbor	EL 5077	Granted	100%		Monax Mining
North Yalata	EL 5199	Granted	100%		Monax Mining
East Yalata	EL 5200	Granted	100%		Monax Mining
Shoulder Hill	ELA 2014/194	Application	100%		Monax Mining
Llewellyn Creek	EPM 25671	Application	100%		Monax Mining
Malbon	EPM 25743	Application	100%		Monax Mining
Charley Creek	EPM 25750	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
Tallaringa	ELA 2014/177	Application	100%		Monax Alliance P/L



# 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
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li><i>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).</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li><i>The total length and percentage of the relevant intersections logged.</i></li> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>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.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>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.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> <li>IP data was collected on lines spaced between 100m and 50m apart with dipole receivers located 50m apart.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>IP data was collected on lines spaced between 100m and 50m apart with dipole receivers located 50m apart..</li> <li>Not applicable – data not used for resource estimation.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>

## 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	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The gradient array induced polarisation survey was undertaken on Exploration Licence 4581 which is owned 100% by Monax Mining Limited. The tenement is located on Freehold Land.</li> <li>The tenement is free of any known impediments.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Sediment hosted silver-lead-zinc style mineralisation.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable for gradient array induced polarisation survey.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>o hole length.</li> <li>• 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.</li> </ul>	
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• Not Applicable for gradient array induced polarisation survey.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• 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').</li> </ul>	<ul style="list-style-type: none"> <li>• Not Applicable for gradient array induced polarisation survey.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Map showing location of gradient array induced polarisation survey area included in this report.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Not Applicable for gradient array induced polarisation survey.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Gradient array induced polarisation survey data included within Release.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>• Monax is planning to undertake a detailed soil sampling program.</li> </ul>



# 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 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(703)	(703)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(192)	(192)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	10	10
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	938	938
	Other	30	30
<b>Net Operating Cash Flows</b>		<b>83</b>	<b>83</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	290	290
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	1	1
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>291</b>	<b>291</b>
1.13	Total operating and investing cash flows (carried forward)	374	374

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	374	374
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	899	899
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.	(108)	(108)
	<b>Net financing cash flows</b>	791	791
	<b>Net increase (decrease) in cash held</b>	1,165	1,165
1.20	Cash at beginning of quarter/year to date	1,238	1,238
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,403	2,403

### 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
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 \$15k in the quarter ending 30 September 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 \$78,438 in the quarter ending 30 September 2014.

Monax Alliance Pty Ltd on behalf of Monax Mining Limited and Antofagasta Minerals Adelaide Pty Ltd has incurred on an accruals basis approximately \$9k 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
<b>Total</b>	<b>1,200</b>

### 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	236	721
5.2 Deposits at call	2,165	515
5.3 Bank overdraft	-	-
5.4 Other (provide details)	2	2
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,403</b>	<b>1,238</b>

+ 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 4530 EL 5259 EL 5312	Relinquished Relinquished Relinquished	100% 100% 100%	0% 0% 0%
6.2	Interests in mining tenements acquired or increased	ELA 2014/00177 ELA 2014/00193 ELA 2014/00194 EPM 25743 EPM 25750	Application Application Application Application Application	0% 0% 0% 0% 0%	100% 100% 100% 100% 100%

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+ 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 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	214,072,690	214,072,690		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	42,815,087	42,815,087		
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	21,407,022 425,000 225,000 325,000	21,407,022 Nil Nil Nil	<i>Exercise Price</i> \$0.042 \$0.0917 \$0.051 \$0.053	<i>Expiry Date</i> 29/07/2015 05/03/2015 28/07/2016 23/07/2017
7.8 Issued during quarter	21,407,394	21,407,394	\$0.042	29/07/2015
7.9 Exercised during quarter	372	372	\$0.042	29/07/2015
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				

+ See chapter 19 for defined terms.

## Appendix 5B


### Mining exploration entity quarterly report

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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: 31/10/2014.....  
(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.