



**MONAX**  
**MINING LIMITED**  
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**For immediate release**  
Thursday 30 July 2015

## Monax Mining Limited

# Quarterly Report

For the quarter ended 30 June 2015

### HIGHLIGHTS

- ***Punt Hill Project (Copper-Gold)***
  - ❖ Monax secures collaborative drill funding for Punt Hill from South Australian Government as part of the Plan for Accelerating Exploration (PACE) initiative
- ***Kimberlite Project (Diamonds)***
  - ❖ Monax secures up to \$70,000 in PACE funding for maiden kimberlite drilling program on EL 5347
  - ❖ Drilling completed early July 2015
- ***Phar Lap Project (Copper-Gold)***
  - ❖ Farm-In and Exploration Joint Venture Agreement signed with Iluka Resources for Monax's 100% Phar Lap iron-oxide copper-gold (IOCG) Project
  - ❖ Iluka to earn 80% of the project by spending \$2 million over four years
- ***Western Gawler Craton Project (Nickel-Copper)***
  - ❖ Farm-In partners, Western Areas Limited, eligible for up to \$100,000 under the PACE initiative for drilling on Monax's Western Gawler Craton Project
  - ❖ Western Areas commenced major drilling program in early July

## Corporate

In the three months to 30 June 2015, Monax Mining Limited ("Monax") (ASX:MOX) undertook two drilling programs at:

1. Millers Creek Designated Project; and
2. Margaret Dam (Kimberlite Project).

Farm-In partner, Western Areas Limited ("Western Areas") also commenced a major drilling program on Monax's Western Gawler Craton Project in early July.

During the quarter, Monax was successful in securing funds for three projects via the collaborative drilling program under the South Australian Government's Plan for Accelerating Exploration (PACE) initiative. Monax was eligible for funds for its Kimberlite and Punt Hill projects, and Farm-In partner, Western Areas, also received funding for the Western Gawler Craton Project.

Funds secured include:

1. \$70,000 for drilling on EL 5347 (Kimberlite Project),
2. \$75,000 for further drilling at Groundhog Prospect, Punt Hill Project; and
3. Western Areas Limited, eligible for up to \$100,000 under the PACE initiative for drilling on Monax's Western Gawler Craton Project.

During the June Quarter, Monax signed a Farm-In and Joint Venture Agreement with Iluka Resources Limited ("Iluka") for the Phar Lap Iron-Oxide Copper-Gold (IOCG) Project, located on the margin of the Mt Woods Inlier in northern South Australia (Figure 1). Iluka can earn 80% of the project by funding \$2 million of exploration over four years and are required to spend \$400,000 within the first two years. Iluka may withdraw at any time after it has incurred \$400,000 of expenditure on the project.

During the quarter, Antofagasta withdrew from the Millers Creek and Musgrave Designated Projects and the Punt Hill Farm-In Agreement.

During the quarter, Monax implemented costs savings by reducing staff and Executive and Board payments.

As at 30 June 2015, Monax had a cash balance of \$1.05 million. During the quarter \$499,000 was spent on exploration.

## Exploration

### South Australian projects

Monax has seven South Australian projects (Figure 1).

1. **Punt Hill – copper-gold**
2. **Phar Lap – copper-gold**
3. **Kimberlite Project – diamonds**
4. **Western Gawler Craton – nickel-copper**
5. **Kangaroo Island – silver-lead-zinc**
6. **Yorke Peninsula – copper-gold (includes Melton Joint Venture with Marmota Energy)**
7. **Musgrave – nickel-copper**

### Queensland projects

Monax has one Queensland project.

1. **NW Queensland – copper-gold**



**Figure 1. Location of Monax's South Australian projects as of 30 June 2015.**

## ***Punt Hill Project – copper-gold (Monax 100%)***

The Punt Hill Project is located within the highly prospective Olympic IOCG province in South Australia, which contains the Olympic Dam, Prominent Hill, Carrapateena and Hillside deposits, along with OZ Minerals' Khamsin and Fremantle Doctor discoveries.

During the quarter, Monax received the date for a sample of molybdenite from drill hole PHDD1402 from 997-998m (drill hole details for hole PHDD1402 were reported in ASX Release 4 December, 2014). The sample dating involved the measurement of the isotopes rhenium 187 ( $\text{Re}^{187}$ ) and osmium 187 ( $\text{Os}^{187}$ ) within the mineral molybdenite (molybdenum sulphide or  $\text{MoS}_2$ ).

The result of 1596 +/- 7 Ma is considered to be the same age as the mineralising event at Punt Hill and within the same age range as alteration and copper-gold mineralisation at Olympic Dam, Prominent Hill and Carrapateena.

Previous age dating from the Groundhog and Prairie Dog prospects has provided a range of ages including:

- Sm-Nd\* age of 1577 +/- 7 Ma for a calc-silicate rock (garnet-skarn) which is interpreted to represent the date of crystallisation of co-genetic garnet-diopside aggregates that comprise the bulk of the skarn at Punt Hill;
- U-Pb\* zircon date of 1853 +/- 9 Ma for a sample of granodiorite from basement at Groundhog;
- U-Pb zircon date of 1842 +/- 13 Ma from a pebble conglomerate just above the basement granite indicating that the conglomerate contains zircon sourced from the underlying basement rocks (see Figure 2 for diagrammatic representation of the age dates from Punt Hill).

The significance of the new molybdenite age shows that the mineralising and alteration event at Punt Hill is most likely related to the Hiltaba Suite magmatic event at ~1590 Ma, which is the same age as the mineralising event at the major IOCG deposits on the eastern Gawler Craton.

Monax has submitted a sample of volcanics from drill hole PHDD1402 for dating to confirm the interpreted Gawler Range Volcanic age of this unit.

During the June quarter, Monax announced that it will move to secure 100% ownership of the Punt Hill Copper-Gold Project after a wholly-owned subsidiary of Chilean copper producer, Antofagasta plc ("Antofagasta"), elected not to continue to sole fund exploration at the project.

In August 2010, Monax signed a Farm-In Agreement ("Agreement") with Antofagasta for the Punt Hill Project. Under the terms of the initial agreement and subsequent amendments, Antofagasta earned a 51% equity position in the project by expending US\$4 million.

Antofagasta funded a further approximately US\$700,000 before deciding not to sole fund additional exploration on the project.

In December 2013, an amendment to the Agreement provided Monax with an opportunity to secure 100% ownership of the project if Antofagasta made such a decision.

Under the terms of the amended Agreement, Monax can elect to issue Antofagasta 9.99% of the company's shares and Antofagasta will transfer back its 51% of the project to Monax.

(\*Sm = Samarium; Nd = Neodymium; U = Uranium; Pb = Lead. Sm-Nd and U-Pb are well known and used minerals for dating rocks)

During the quarter, Monax secured up to \$75,000 in funding for the Punt Hill Project under the South Australian Government's PACE initiative for drilling. Monax is planning to drill a further hole at Groundhog in the second half of 2015.

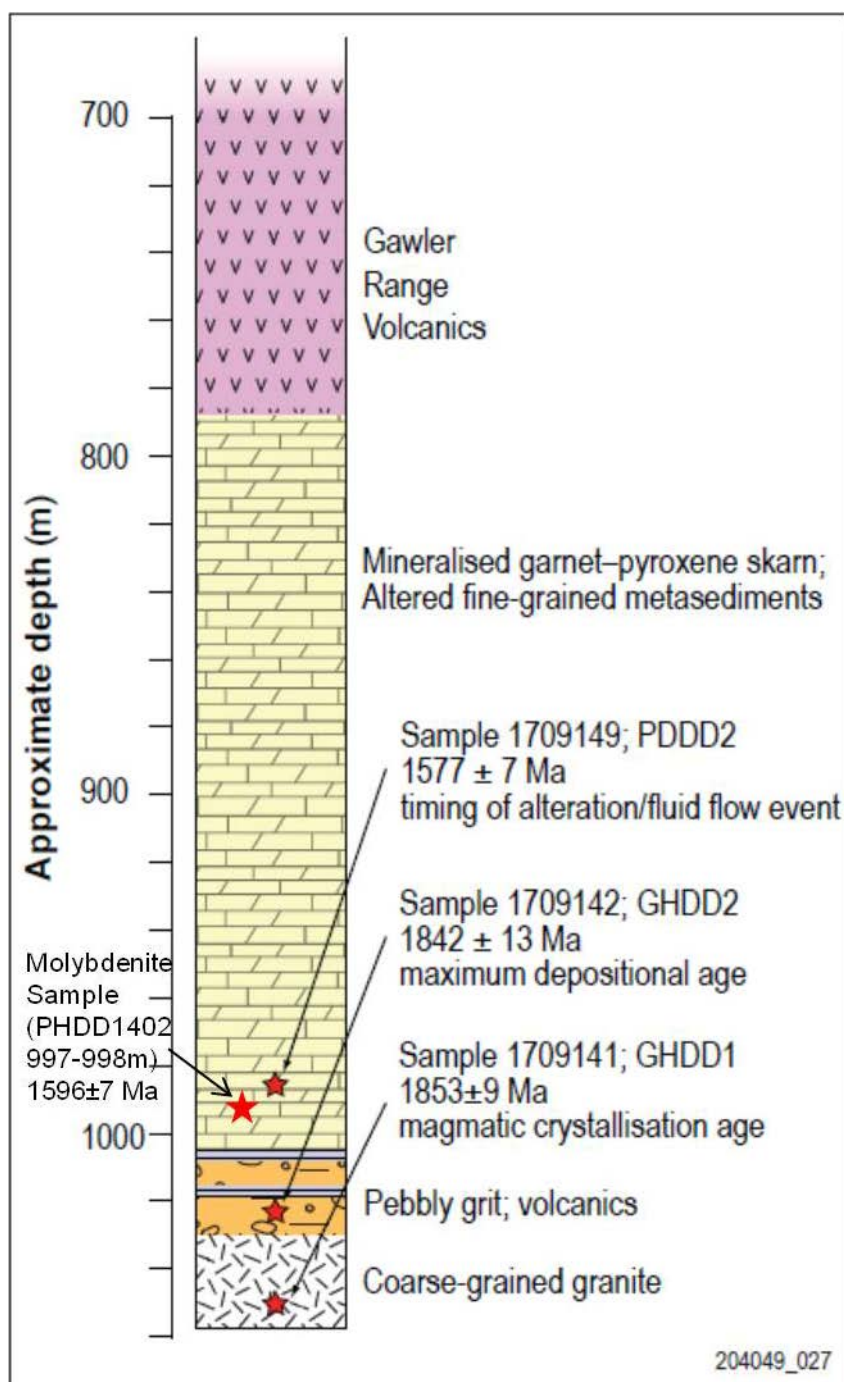


Figure 2. Schematic composite drill log through drill holes GHDD1, GHDD2, PDDD2 and PHDD1502 from the Punt Hill project. Shown are the relative locations of previous geochronological samples and the age dates for these samples (adapted from Figure within Mesa Journal 60, 2011).

## ***Kimberlite Project – diamonds (Monax 100%)***

Monax completed its PACE funded drilling program on the Margaret Dam tenement (Exploration Licence 5347), located approximately 40km south of William Creek in northern South Australia in early July.

Monax was planning two holes to test prominent magnetic features on EL 5347, which were interpreted to represent a potential kimberlite. Monax completed one hole to a depth of 108.17m with a mafic intrusive intersected at approximately 76m below the surface (Plate 1).

Previous geophysical modelling outlined a magnetic body at a depth of approximately 80m. The mafic intrusive in hole MDDD1501 contains minor magnetite and is considered the cause of the geophysical anomaly.

The mafic rock in drill hole MDDD1501 is thought to represent a Delamerian unit (approximately 500 million years old) intruded into older Adelaidean sediments.

The drill core has been transported to Adelaide for cutting and sampling, with selected samples to be submitted for geochemistry and petrology.



**Plate 1. Drilling on EL 5347.**

***Western Gawler Craton Project – copper-nickel  
(Monax 100% - Western Areas Limited earning 90%)***

During the quarter, Western Areas completed an Aboriginal heritage survey over the Western Gawler Craton project in preparation for a major drilling program on Monax's tenements.

Western Areas commenced drilling in early July with drilling expected to take two months to complete.

Interpretation of the aeromagnetic data by Western Areas revealed numerous features that may represent mafic/ultramafic intrusions, many of which are clustered in potential 'camps' (Figure 3). These features, which have been ranked and prioritised, will be evaluated in the upcoming drilling program.

The drilling program is also aimed at providing geological information to assist with further data interpretation.

This drilling is partly funded (up to \$100,000) by the SA Government as part of the Plan for Accelerating Exploration (PACE) Discovery Drilling 2015 program. Any positive results will be followed up with further RC and diamond drilling, and geophysics.

***Phar Lap Project – copper-gold  
(Monax 100% - Iluka Resources earning 80%)***

During the quarter, Monax signed a Farm-in and Joint Venture Agreement with Iluka Resources Limited ("Iluka") for the Phar Lap Iron-Oxide Copper-Gold (IOCG) Project, located on Exploration Licence 5123, which is on the margin of the Mt Woods Inlier in northern South Australia (Figure 1).

According to the terms of the Farm-in and Exploration Joint Venture Agreement:

- Iluka can earn 80% ownership of EL 5123 by funding \$2 million of exploration over four years; and
- Iluka will spend \$400,000 within the first two years and may withdraw at any time after it has incurred \$400,000 of expenditure on the project.

Work completed during the June quarter consisted of:

- Obtaining required permits and approvals for conducting field activities on the Phar Lap property. These permissions include:
  - Heritage clearance survey
  - Landholder notification
  - Woomera Prohibited Area - Resource Exploration Permit (Iluka)
  - Woomera Prohibited Area – Individual Approved Person Status (Iluka staff)
- Preparing for a detailed gravity survey (125m spacing) over three identified targets on the property
- Total area to be surveyed: 15.2km<sup>2</sup> comprising 902 stations.

Work planned on EL 5123 for the September quarter includes:

- A detailed gravity survey (125m spacing) over three identified targets on the property
- Reprocessing and interpretation of historical seismic lines to better constrain depth of basement, thickness of Gawler Range Volcanics and presence of possible intrusions and faults.



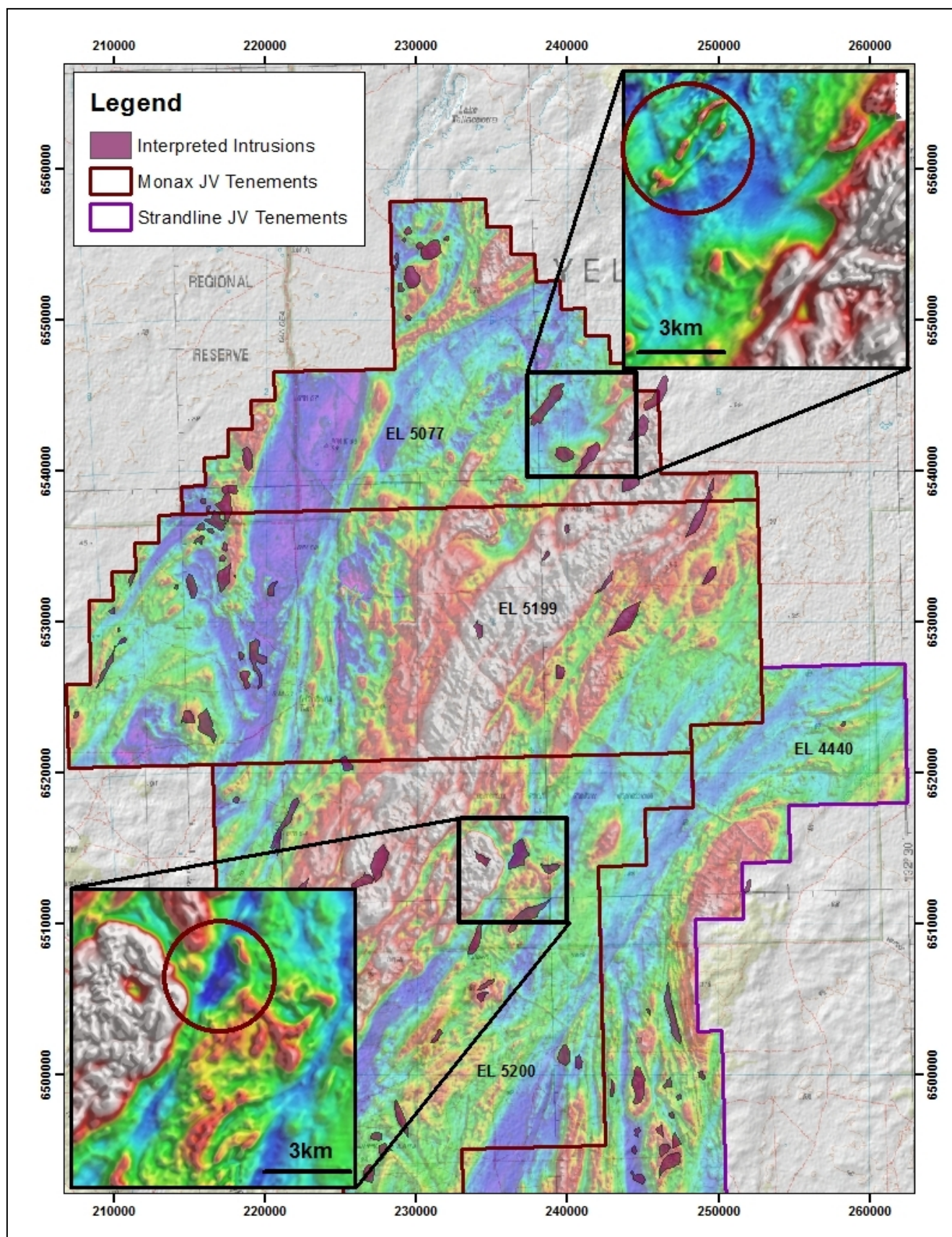


Figure 3. Western Gawler JV Project magnetic imagery (Colour RTP) highlighting two of the potential clusters "camps" of interpreted mafic-ultramafic intrusions (source: Western Areas).



### ***Millers Creek Designated Project – copper-gold***

During the quarter, Monax completed one diamond drill hole on the Millers Creek Designated Project (DP) located within the Woomera Prohibited Area (WPA) in northern South Australia.

The Millers Creek DP was a joint project between Monax and its strategic alliance partner, a wholly-owned subsidiary of major Chilean copper producer Antofagasta plc (“Antofagasta”), via Monax’s own wholly-owned subsidiary, Monax Alliance Pty Ltd (“Alliance”).

The Millers Creek DP comprised one Alliance tenement together with four ASX-listed Maximus Resources Limited (“Maximus”) tenements totalling 2402km<sup>2</sup>.

Drill hole MCDD1501 was completed to 911.3m (see ASX Release 15 April 2015 for drill hole details). Basement was intersected at 765.4m downhole.

Based on a review of the drill hole, Alliance withdrew from the Farm-In Agreement with Maximus over their four tenements.

### ***Musgrave Designated Project – copper-nickel***

During the quarter, Antofagasta withdrew from the Musgrave Designated Project.

No work has been undertaken on the Musgrave Designated Project. Monax will retain three Exploration Licence Applications in the Musgraves. Previous company exploration on ELA 2013/168 has reported anomalous copper and nickel and Monax believes these areas are still prospective for copper and nickel (see ASX Release 11 November 2013).

### **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.’*

### **Reference**

Reid, A.J., Swain, G., Mason, D., and Mass, R., 2011. Nature and timing of Cu-Au-Zn-Pb mineralisation at Punt Hill, eastern Gawler Craton. MESA Journal 60, p 7-17.

## Tenement Holdings as of 30 June 2015

During the quarter, Monax relinquished three Exploration Licence Applications (ELA 2014/233, 2014/236 and 2014/237 and replaced them with three smaller ELA's (2015/103, 2015/104 and 2015/105). Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 30 June, 2015.

### Monax Mining Limited

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Punt Hill	EL 4642	Granted	100%		Monax Mining
Yeltacowie	EL 4548	Granted	100%		Monax Mining
Whittata	EL 4994	Granted	100%		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
Parndana	EL 5353	Granted	100%		Monax Mining
Phar Lap	EL 5123	Granted	100%	Farm-In with Iluka Resources	Monax Mining
Nullarbor	EL 5077	Granted	100%	Farm-In with Western Areas	Monax Mining
North Yalata	EL 5199	Granted	100%	Farm-In with Western Areas	Monax Mining
East Yalata	EL 5200	Granted	100%	Farm-In with Western Areas	Monax Mining
Shoulder Hill	ELA 2014/194	Application	100%		Monax Mining
Curdimurka	ELA 2015/103	Application	100%		Monax Mining
Dorothy Dam	ELA 2014/104	Application	100%		Monax Mining
Boorthanna	ELA 2014/105	Application	100%		Monax Mining
W Hill	ELA 2015/60	Application	100%		Monax Mining
Hidden Swamp	EL 5558	Granted	100%		Monax Mining
Llewellyn Creek	EPM 25671	Granted	100%		Monax Mining
Malbon	EPM 25743	Application	100%		Monax Mining
Charley Creek	EPM 25750	Application	100%		Monax Mining

\*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
Dermody 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

# 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 2015

### 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	(499)	(2,384)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(171)	(703)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	41
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	-	1,550
	Administration income from JV agreements	26	136
	Other	(11)	58
<b>Net Operating Cash Flows</b>		<b>(651)</b>	<b>(1,302)</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
	(b) equity investments	62	62
	(c) other fixed assets	-	-
1.10	Loans to other entities	15	(27)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>77</b>	<b>325</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(574)</b>	<b>(977)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(574)	(977)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	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)
	<b>Net financing cash flows</b>	-	791
	<b>Net increase (decrease) in cash held</b>	(574)	(186)
1.20	Cash at beginning of quarter/year to date	1,626	1,238
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,052	1,052

**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	166
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, and service fee payments to an associated entity.

**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.



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 \$18,606 in the quarter ending 30 June 2015.

Monax Alliance Pty Ltd on behalf of Monax Mining Limited and Antofagasta Minerals Adelaide Pty Ltd has incurred on an accruals basis approximately \$222,142 for the Millers Creek Designated Project (EL 4463, EL 5259, EL 5347, EL 5316, EL 4899, EL 4898, EL 4854).

Western Areas Ltd pursuant to the Farm – In Option Agreement for EL 5077, EL 5199 and EL 5200 has incurred \$427k in the quarter ending 30 June 2015.

### 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	150
4.2 Development	-
4.3 Production	-
4.4 Administration	150
<b>Total</b>	<b>300</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	1,036	1,609
5.2 Deposits at call	15	15
5.3 Bank overdraft	-	-
5.4 Other (provide details)	1	2
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,052</b>	<b>1,626</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	ELA 2014/00043	Withdrawn	100%	0%
		ELA 2014/00233	Withdrawn	100%	0%
		ELA 2014/00236	Withdrawn	100%	0%
		ELA 2014/00237	Withdrawn	100%	0%
6.2	Interests in mining tenements acquired or increased	ELA 2015/00093	Subsequent licence application for EL 4548	100%	100%
		ELA 2015/00103	Application	0%	100%
		ELA 2015/00104	Application	0%	100%
		ELA 2015/00105	Application	0%	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>	214,073,315	214,073,315		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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)	1,200,000 21,406,397 225,000 325,000	Nil 21,406,397 Nil Nil	<i>Exercise Price</i> \$0.026 \$0.042 \$0.051 \$0.053	<i>Expiry Date</i> 12/05/2020 29/07/2015 28/07/2016 23/07/2017
7.8	Issued during quarter	1,200,000	Nil	\$0.026	12/05/2020
7.9	Exercised during quarter				
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: 30/7/2015.....  
(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.