



**MONAX
MINING LIMITED**

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ASX RELEASE

For Immediate Release

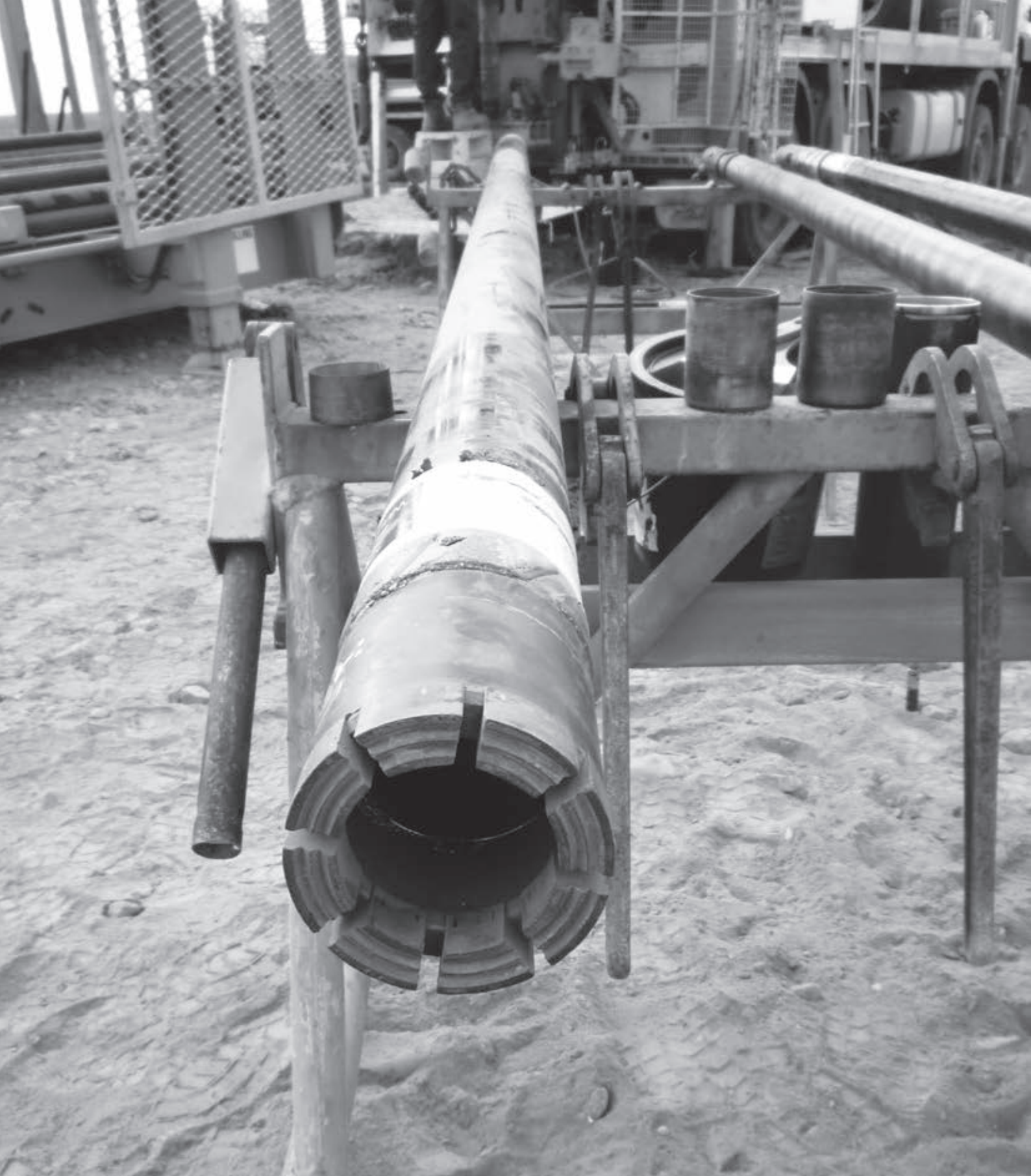
19 October 2015

2015 Annual Report, Notice of Annual General Meeting and Proxy Form

Attached are electronic copies of the Monax Mining Limited 2015 Annual Report, Notice of Annual General Meeting and Proxy Form which have been mailed to shareholders.

Yours faithfully

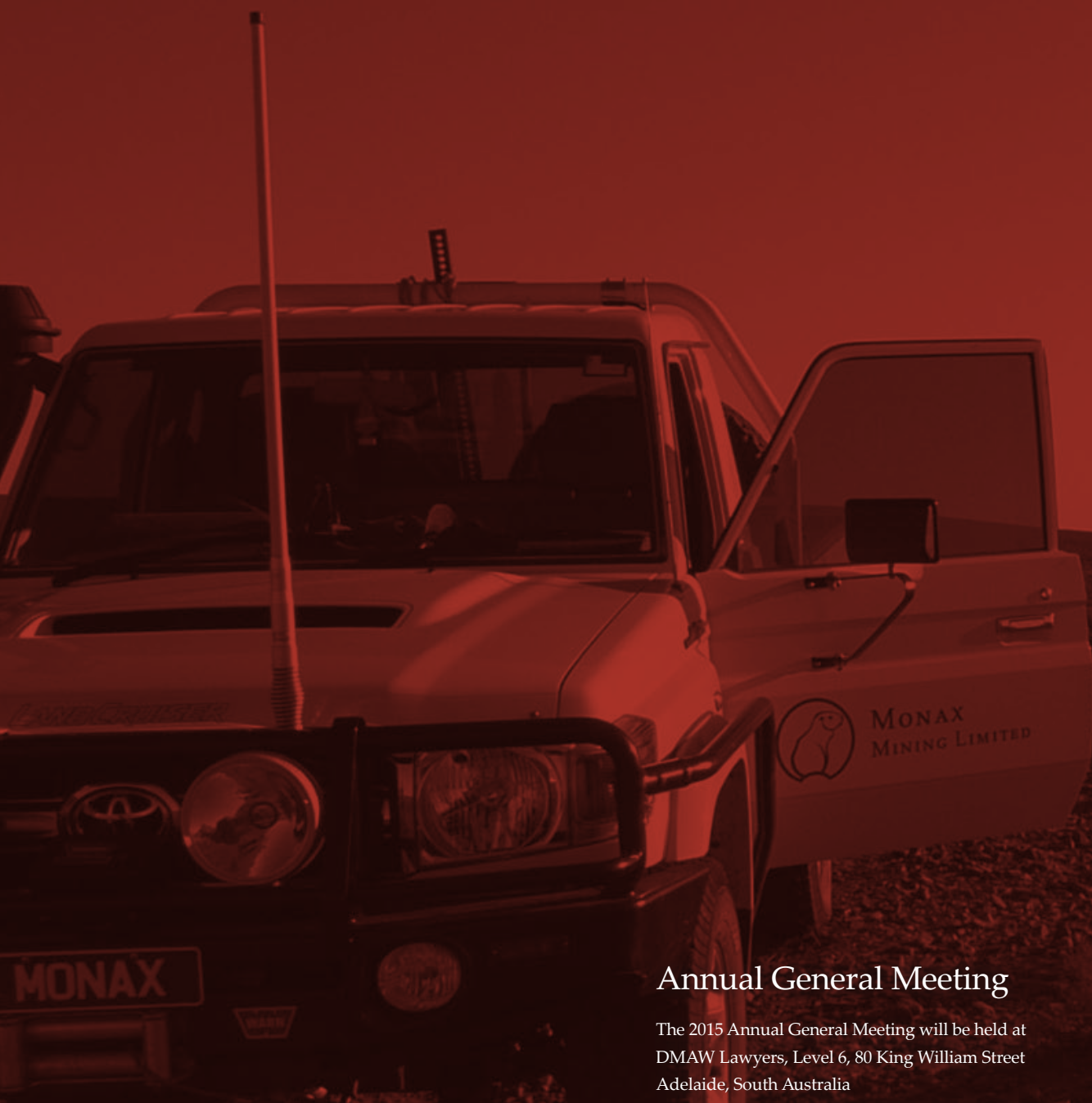
Virginia Suttell
Company Secretary



2015 Annual Report



MONAX
MINING LIMITED



Annual General Meeting

The 2015 Annual General Meeting will be held at
DMAW Lawyers, Level 6, 80 King William Street
Adelaide, South Australia

On 17th November 2015 commencing at 11:00am.

A formal notice is mailed to shareholders with the distribution of this report.

Corporate Governance Statement

Under ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be located at the URL on the Company's website:
<http://www.monaxmining.com.au/site/corporate/governance.html>



MONAX
MINING LIMITED

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Dear Fellow Shareholders

It gives me great pleasure to present to you the eleventh annual report for your Company for the 2014 - 2015 financial year.

Monax has continued to focus on exploration with four drilling programs either completed or commenced during the year, which for a junior exploration company is significant in the current capital constrained market conditions.

The Company is currently seeking a project and has been reviewing numerous opportunities with a view to finding a suitable project to take the Company forward.

During the 2014 – 2015 financial year, Monax completed drilling programs on the Punt Hill, Parndana and Margaret Dam Projects together with the Millers Creek Designated Project. Farm-In partner Western Areas Limited commenced drilling on the Western Gawler Craton Project in early July 2015.

Monax completed two drill holes at Punt Hill in late 2014 with further encouraging copper results reported from the Groundhog prospect. Joint Venture partner Antofagasta decided to withdraw from the Punt Hill Project in May 2015, returning the project back to Monax 100%. Monax secured up to \$75,000 government funding for further drilling at Punt Hill and Monax remains committed to further drilling at the Groundhog prospect, dependent upon securing further capital.

Two holes were completed on the Parndana Project targeting lead-zinc. The holes did not intersect significant mineralisation, but follow-up geophysical and soil sampling programs show the area is still prospective with a coincident lead-zinc soil anomaly and resistivity anomaly located between the two completed holes.

Chairman's Report

Drilling on the Margaret Dam Project did not intercept an interpreted kimberlite, however the hole was a technical success with a magnetite-bearing mafic intrusive intersected at the interpreted depth from the geophysical reviews.

A single drill hole was completed at the Oliffes Dam target on the Millers Creek Designated Project. This project was funded by Antofagasta and was the result of project generation work undertaken during the Strategic Alliance with Antofagasta. The hole intersected a mafic intrusive at approximately 711m downhole and a review of the petrophysical data shows the rock can adequately explain the geophysical anomaly.

The Strategic Alliance with Antofagasta, the purpose of which was project generation in South Australia, was concluded at the end of the third year with many potential copper projects reviewed. Two Designated Projects were outlined during the Strategic Alliance, the Millers Creek and Musgrave Designated Projects. Antofagasta withdrew from both Designated Projects during the year.

The relationship with Antofagasta over the last four years has been of great importance for Monax and the Company has benefited significantly from the opportunities presented through the association with a major mining company.

Reviewing numerous projects within South Australia and compilation of geophysical datasets has provided Monax with future opportunities. Monax currently has two active joint venture projects fully funded by its partners.

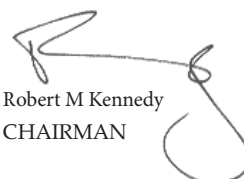
Western Australian nickel producer Western Areas Limited is sole funding exploration on the Western Gawler Craton Project. Since signing the Farm-In Agreement in September 2014, Western Areas have completed a high-resolution aeromagnetic survey over the project area and commenced a major drilling program in early July 2015.

Monax signed a Farm-In and Exploration Joint Venture Agreement with Iluka Resources Limited for the Phar Lap iron-oxide copper-gold (IOCG) Project on EL 5123. Under the terms of the Agreement, Iluka can earn 80% interest in EL 5123 by spending \$2 million over 4 years. Iluka is planning detailed gravity over three areas with drilling to follow if the gravity surveys are positive.

Exploration on the Western Gawler Craton and Phar Lap projects is fully funded by its partners, providing Monax with further opportunities to make a significant discovery which will benefit shareholders.

I take this opportunity to thank the small but dedicated staff of Monax, as well as my fellow Directors, who provided commitment to the Company.

Finally, I'd like to thank all of our shareholders for your continuing support. Your Board will continue to work hard to create further shareholder value in the upcoming year.

A handwritten signature in black ink, appearing to read 'Robert M Kennedy', with a large, stylized loop at the end.

Robert M Kennedy
CHAIRMAN

Introduction

During the 2015 financial year, Monax Mining Limited (“Monax”) was active with four drilling programs completed and a further drilling program commenced in early July 2015.

Monax maintained its focus on exploration for copper-gold with funding provided by with a wholly-owned subsidiary of Chilean copper producer, Antofagasta plc (“Antofagasta”) on the Punt Hill Project and Millers Creek Designated Project.

Monax also undertook drilling programs on the Parndana Project and Margaret Dam kimberlite target.

In October 2014, Monax signed a Farm-In Agreement with Western Areas Limited (“Western Areas”) for the Western Gawler Craton Project. Western Areas completed a high-resolution aeromagnetic survey in January 2015 and commenced a major drilling program in early July 2015.

Drilling at Punt Hill provided further encouraging copper results with 96m @ 0.47% Cu, 0.12g/t Au and 5.3g/t Ag, including 26m @ 1.0% Cu, 0.23g/t Au & 8.5g/t Ag including 1m @ 7.3% Cu and 1.6g/t Au reported from hole PHDD1402 at the Groundhog prospect (refer to ASX Release 4 December 2014 for drill hole details including Table 1).

At Punt Hill, Antofagasta reached its 51% earn in, but after expending a further ~\$700,000 decided not to continue to sole fund exploration, providing Monax with an opportunity to secure 100% ownership of the project if Antofagasta made such a decision.

The Strategic Alliance with Antofagasta for project generation in South Australia was concluded at the end of the third year with many potential copper projects reviewed. Two Designated Projects were outlined during the Strategic Alliance.

The Millers Creek Designated Project located within the Woomera Prohibited Area (WPA) comprised three Monax Alliance tenements together with four Maximus Resources Limited (ASX: MXR) tenements.

Monax undertook several ground gravity programs and a detailed heil-borne magnetic survey and defined a target at Oliffes Dam. Monax drilled the Oliffes Dam target in April 2015 and intersected a mafic intrusive which potentially explains the geophysical target. Based on the drilling, the Millers Creek Designated Project was terminated.

The Musgrave Designated Project comprised four tenement applications located within the Musgrave Province. No work was undertaken prior to Antofagasta deciding to withdraw from the project.

Two diamond drill holes were completed at the Vinco prospect on the Parndana Project in late 2014, targeting a prominent gravity and induced polarisation anomaly. Subsequent refinement of the geophysical data and a detailed soil sampling program showed the main anomaly is located between the two drill holes and this anomaly is untested by drilling.

Monax commenced drilling at the Margaret Dam kimberlite target at the end of the financial year with the hole completed in early July 2015.

In May 2015, Monax announced the signing of a Farm-In and Exploration Joint Venture Agreement with Iluka Resources Limited (“Iluka”) for Monax’s Phar Lap iron-oxide copper-gold (IOCG) Project on EL 5123. Under the terms of the Agreement, Iluka can earn 80% interest in EL 5123 by spending \$2 million over 4 years.

Review of Operations

Highlights

Punt Hill Copper-Gold Project

- Monax completed two drill holes
- Drill hole PHDD1402 reported 96m @ 0.47% Cu, 0.12g/t Au and 5.3g/t Ag (including 26m @ 1.0% Cu, 0.23g/t Au & 8.5g/t Ag including 1m @ 7.3% Cu and 1.6g/t Au)
- Monax secured up to \$75,000 collaborative drill funding from South Australian Government as part of the Plan for Accelerating Exploration (PACE) for further drilling at Punt Hill
- Continued research by the SA Geological Survey provided more insights on the geology and mineralisation at Punt Hill

Kimberlite Project

- Potential kimberlite discovered at Margaret Dam project, located in northern South Australia
- Detailed ground magnetic and gravity surveys completed
- Monax secured up to \$70,000 collaborative drill funding from PACE initiative for drilling Margaret Dam target
- Drilling completed July 2015

Western Gawler Craton Project

- Monax signed a Farm-In Agreement with Western Areas for Western Gawler Craton Project
- Western Areas completed high-resolution aeromagnetic survey over project area
- Aboriginal heritage clearance undertaken and major drilling program commenced in early July 2015 with up to 85 holes planned
- Farm-In partners, Western Areas, are eligible for up to \$100,000 under the PACE initiative for drilling on Western Gawler Craton Project

Phar Lap Copper-Gold Project

- Monax completed detailed gravity survey over two iron-oxide copper gold (IOCG) targets at Phar Lap
- Farm-In and Exploration Joint Venture Agreement signed with Iluka for the Phar Lap Project
- Under the terms of the Agreement, Iluka to earn 80% interest in EL 5123 by spending \$2 million over 4 years

Parndana Lead-Zinc Project

- Monax completed two drill holes at the Vinco prospect
- Soil sampling outlined coherent lead-zinc anomaly coincident with significant induced polarisation anomaly

Millers Creek Designated Project

- Monax Alliance completed one drill hole at Oliffes Dam target

Melton Copper-Gold Project (Monax 25% interest)

- Airborne electromagnetic (AEM) survey completed over the Melton Central target

Disclaimer: The information in the Annual 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 Australian 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.

Punt Hill Project Copper-Gold

(100% MONAX)

The Punt Hill Project is located within the highly prospective Olympic Iron Oxide copper-gold (IOCG) Province on the eastern margin of the Gawler Craton (Figure 1). This province is host to the world class Olympic Dam Mine, as well the Prominent Hill Mine and Carrapateena and Hillside deposits.

In late 2014, Monax completed drill hole PHDD1402 at the Groundhog prospect. The drill hole was collared approximately 455m to the north of drill hole GHDD2 and was drilled at 60° to the SSW, and was designed as a step-out from the previous Groundhog drill holes. The hole intersected Gawler Range Volcanics at 782m (downhole depth). The prospective Wandearah Metasediments were intersected at 903.38m and continued to 997.5m (downhole depth).

Overall, the metasedimentary sequence assayed 96m @ 0.47% copper, 0.12g/t Au, 5.3g/t Ag and 0.37% Zn (903m – 999m - downhole length) (see Figure 1). Within this sequence were several higher grade intercepts with the best zone reporting 26m @ 1.0% Cu, 0.23g/t Au, 8.5g/t Ag and 0.48% Zn (969m – 995m - downhole length).

Towards the base of the sequence, a 5m zone reported 3.0% Cu, 0.7g/t Au, 14.6g/t Ag and 1.3% Zn (see Table below) which included 1m @ 7.3% Cu, 1.6 g/t Au, 36 g/t Ag and 4.1% Zn (downhole length).

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 electing 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.

Over the past 24 months, the Department of State Development (DSD), in conjunction with Monax, has been undertaking a comprehensive mineral system study at Punt Hill, with particular emphasis on the Groundhog drill holes. New detailed geochemical, petrophysical and hyperspectral (HyLogger) data has been used to vector to zones of possible higher-grade mineralisation.

Monax is eligible for up to \$75,000 in funding under the PACE initiative for drilling on the Punt Hill Project. Monax has developed a structurally controlled model for its Groundhog prospect at Punt Hill, where sediments are juxtaposed against granite, with the structure acting as the primary pathway for hot magmatic mineralising fluids ascending from deeper Hiltaba Suite granitic intrusions.

Monax is planning a further drill hole at Groundhog, targeting an interpreted major structure located between drill holes GHDD2 and NNDD1.

Review of Operations

Punt Hill Project Copper-Gold (continued)

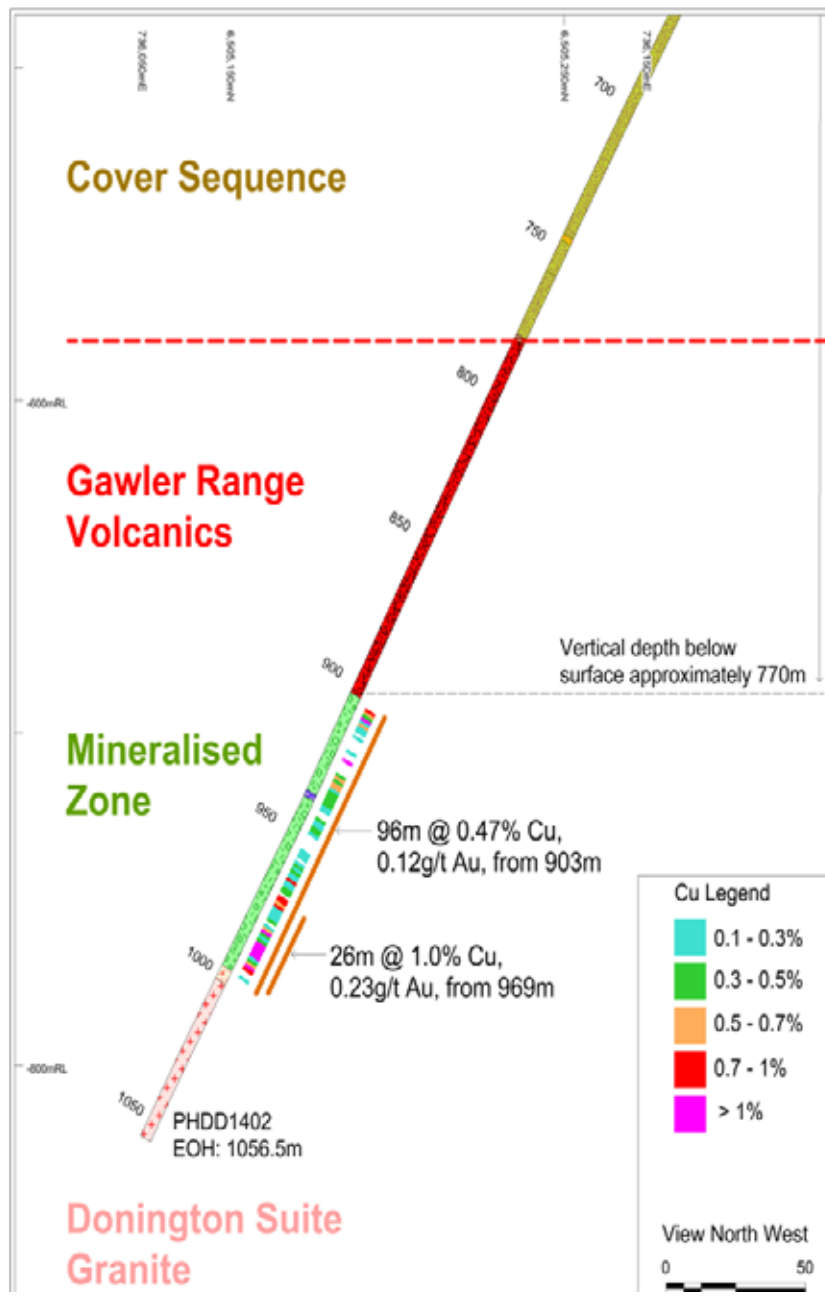


Figure 1: PHDD1402 drill hole trace showing simplified geology showing copper and gold mineralisation intervals (drill hole intercept is a down hole length – true width unknown).

(This information was prepared and first disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Punt Hill drill hole intercept is a down hole length – true width unknown).

Kimberlite Project

(100% MONAX)

Monax completed detailed ground magnetic and gravity surveys over the circular magnetic features on EL 5347, assisting with modelling the dimensions and depth of the potential kimberlite target. The ground magnetic data revealed a discrete elongate magnetic dipole with a SW-NE trend and a smaller magnetic anomaly located to the SW (Figure 2). The gravity data shows a subtle gravity response associated with the magnetic feature.

A review of the available aeromagnetic data showed two circular features located within the southern part of the licence area, which Monax considers to be consistent with that of a kimberlite intrusion (Figure 3).

Geophysical modelling outlined a magnetic body at a depth of approximately 80m. The dimensions of an elliptical body approximately 250m long by 45m wide, with a tapering root to 400m depth was outlined. The main feature (shown in blue on Figure 4) strikes 230°/50° (SW-NE) with a near vertical dip (see Figure 4). (Magnetic susceptibility $\chi = 0.015$ SI units).

A small secondary anomaly (red) is located in the SW of the survey area at a depth of 75m and is characterised by elliptical body geometry and is approximately 100m long by 30m wide. Strike direction is 300°/120° (WNW-ESE) – (see Figure 4). This information was prepared and first disclosed under JORC 2012 Code and has not materially changed since it was last reported.

Monax is eligible for up to \$70,000 in PACE funding on this project and one drill hole was completed in July 2015. Drill hole MDD1501 was completed to a depth of 108.17m with a mafic intrusive intersected at approximately 76m below the surface.

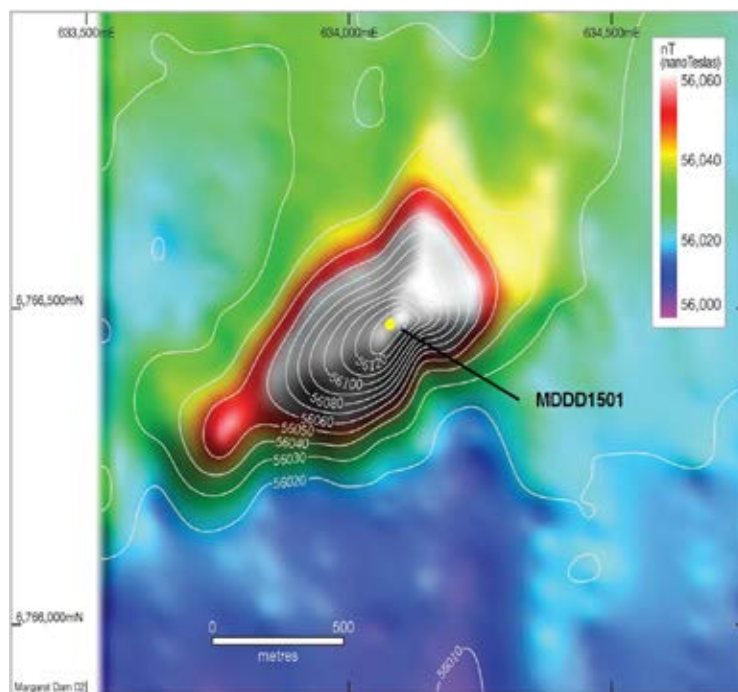


Figure 2: Reduced to Pole magnetic image with 10 nanotesla contours (derived from ground magnetic data).

Review of Operations

Kimberlite Project (continued)

(100% MONAX)

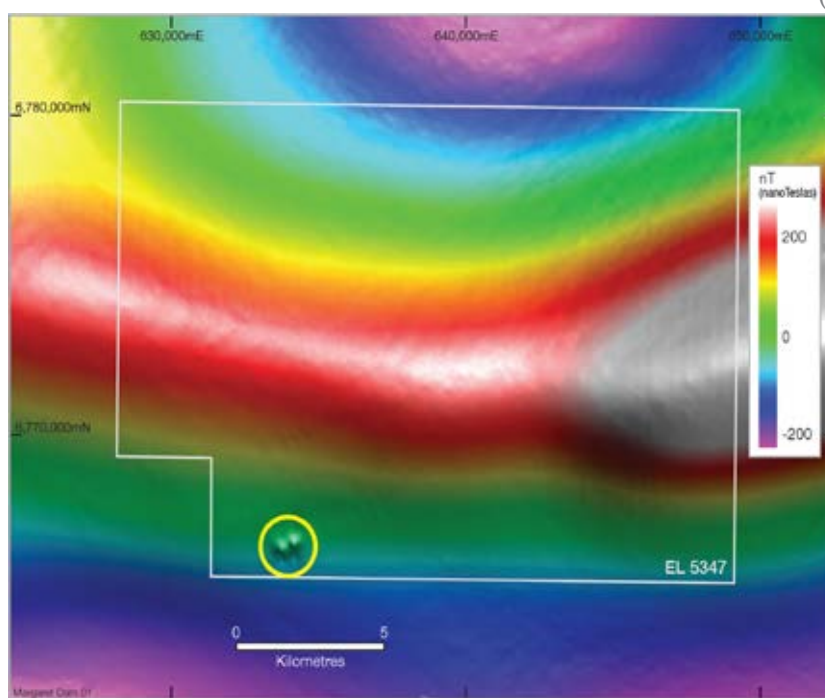


Figure 3: Reduced to Pole image derived from SAEI C4 airborne magnetic survey. (NB small magnetic anomalies outlined in yellow circle in the SW corner).

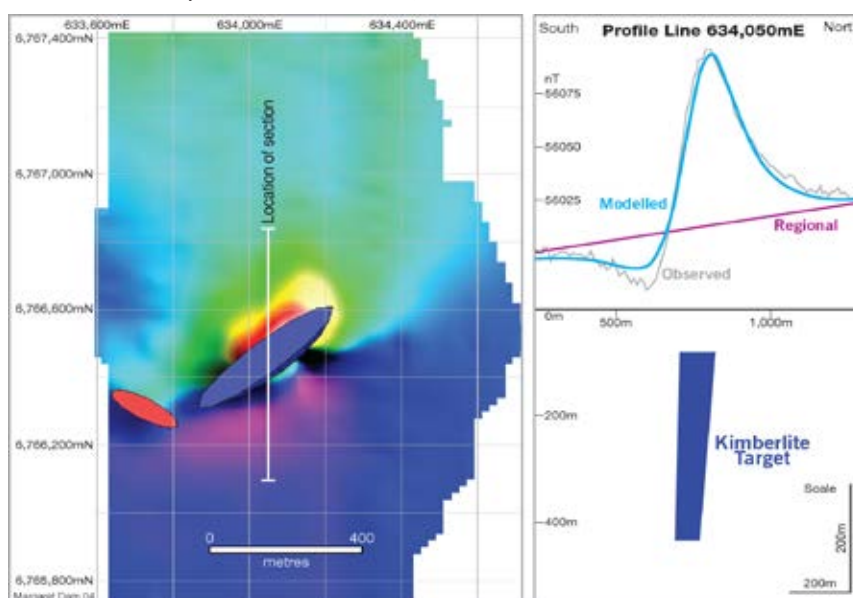


Figure 4: Magnetic model showing size and calculated depth to potential main kimberlite body (shown in blue on the left side image).

Western Gawler Craton Project – Nickel-Copper, Gold

(MONAX 100%; WESTERN AREAS LIMITED EARNING 90%)

The Western Gawler Craton (WGC) Project comprises three granted tenements (EL 5077, EL 5199 & EL 5200) covering an area of 2,046km² (Figure 12).

The basement rocks on the western Gawler Craton record a history of active tectonism which resulted in the mafic and ultramafic intrusives being introduced into a package of Palaeoproterozoic sediments; a setting analogous to the Thompson Nickel Belt in Manitoba, Canada. Monax considers this area prospective for nickel-copper mineralisation.

The Fowler Domain in South Australia comprises a northeast trending sinuous, high-magnetic intensity belt located on the western Gawler Craton. The Fowler Domain contains Archaean/Proterozoic rocks, reworked and intruded by Palaeoproterozoic igneous and metamorphic rocks.

Limited company exploration and geological mapping has shown that the Fowler Domain is a complex, long-lived deep crustal scale structural zone similar to the Thompson Nickel Belt in Canada and the Albany Fraser Belt in Western Australia.

In October 2014 Monax signed a Farm-In Agreement with Perth based nickel producer, Western Areas (ASX:WSA) for the WGC Project.

Under the terms of the Farm-In Agreement, Western Areas can earn an initial 75% interest in the tenements by spending \$800,000 within 2.5 years.

Upon earning a 75% interest in the tenements, Western Areas has the right to earn a further 15% interest (for a total of 90%) by expending a further \$400,000 within 18 months.

Upon reaching a 90% interest in the tenements, Monax and Western Areas can form a joint venture where each company funds exploration pro-rata (10:90). If Monax elects not to contribute to the Joint Venture, Monax will dilute to a 1% net smelter royalty (NSR). Western Areas has the option to purchase the NSR at market price determined by an independent third party at any time during the operation of the project.

In January 2015, Western Areas completed a high-resolution aeromagnetic survey comprising 100m spaced flight lines over the entire project area. The new data provides a high-quality dataset suitable for outlining areas of favourable lithology and structural setting to host massive polymetallic mineralisation (Figure 5).

The interpretation of the magnetic data, combined with a detailed review of the historical core and previous exploration activity, has provided a significant increase in the understanding of the area. The interpretation has revealed numerous features that are indicative of mafic/ultramafic intrusions, many of which are clustered in potential 'camps' (Figure 5). These features have been ranked and prioritised based on a number of key criteria and their prospectivity will be evaluated in the drilling program. Additionally, exploration activities will also be aimed at determining the prospectivity of other domains and gathering further geological, geochronological and geochemical information within the broader project area.

Western Areas commenced a major drilling program in July 2015 with up to 85 holes planned for Monax's project area. This drilling is partly funded by a \$100,000 PACE Grant.

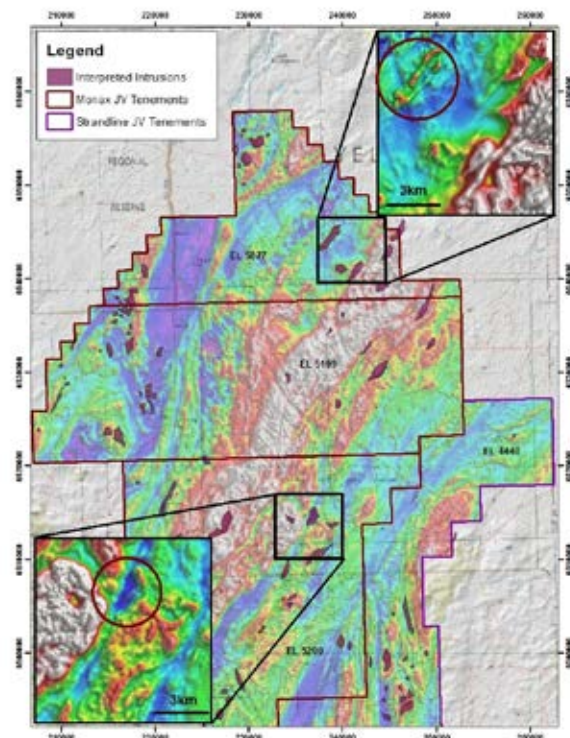


Figure 5: Western Gawler JV Project magnetic imagery (Colour RTP) highlighting two of the potential clusters "camps" of interpreted mafic-ultramafic intrusions (source: Western Areas)

Review of Operations

Phar Lap Project – Copper-Gold

(MONAX 100%; ILUKA EARNING 80%)

In June 2014, Monax announced it had signed a Memorandum of Understanding (MOU) with Antofagasta for the Phar Lap Iron-Oxide Copper-Gold (IOCG) Project, located on the margin of the Mt Woods Inlier in northern South Australia (Figure 12).

Monax completed a detailed 250m x 250m infill ground gravity survey in mid-2014 over two targets on EL 5123 identified by existing gravity and magnetic survey data (Figure 6). Monax also completed an Aboriginal heritage survey with both targets cleared for drilling. Both surveys were funded by Antofagasta before they withdrew from the MOU.

In May 2015, Monax announced it had signed a Farm-In and Exploration Joint Venture Agreement with Iluka for the Phar Lap Project.

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

1. Iluka can earn 80% ownership of EL 5123 by funding \$2 million of exploration over four years; and
2. 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.

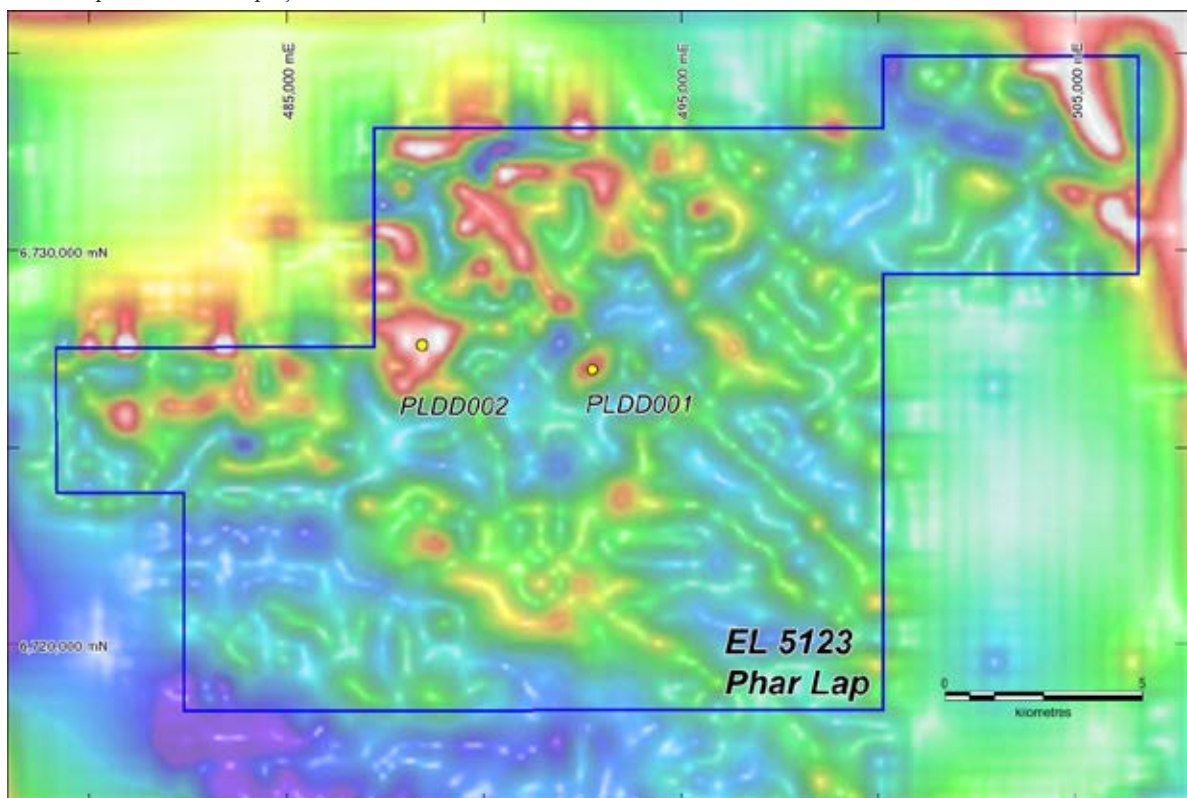


Figure 6: Phar Lap Project Bouguer Gravity (first vertical derivative) showing the two IOCG-style geophysical targets (This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported).

Parndana Project – Lead-Zinc (+Silver)

(100% MONAX)

Previous company exploration and exploration by Monax on the Parndana Project was focussed on the Bonaventura prospect.

Monax completed a detailed gravity survey over the Parndana project area in early 2014 which outlined a significant anomaly ~1km to the southeast of the known Bonaventura prospect. Previous gravity data collected by the company in 2006, at 1km station spacing did not recognise this feature. The recent 500m spaced infill survey alluded to the anomaly, which was subsequently in-filled to 250m gravity station spacing for robust data processing and inversion modelling.

The gravity anomaly is coincident with a zone of intense magnetic low situated in the core of the Cygnet Snelling Shear Zone (CS-SZ). This low magnetic response is consistent with the Zn-Pb mineralisation style and host rocks at the adjacent Bonaventura.

Processing and inversion modelling of the gravity anomaly delineated a discrete, 1km long dense body (3.1 g/cc), striking 120 degrees with potential south-easterly plunge at approximately 300m depth. The gravity response at the Bonaventura prospect is less intense and located on the edge of the main anomaly. Bonaventura prospect may be a surface expression and leakage of mineralisation through fractures and conduits from a larger mineral system at depth.

Monax completed an induced polarisation (IP) survey in late June 2014. This IP data has been integrated into a 3D model which combines the inversion models of the gravity and magnetic data sets, along with geological information, such as structure and existing known mineralisation at Bonaventura.

The 3D model indicates that the chargeable source within the non-magnetic dilation zone of the CS-SZ is coincident with the location of the dense body from the gravity data. This model also demonstrates that the chargeable source increases with intensity to the southeast.

Monax drilled two holes targeting this anomaly in late 2014 (Figure 7). Drilling did not intersect mineralisation. Monax incorporated the drilling data into the model and completed a further IP survey aimed at better locating the IP anomaly. The IP survey showed the anomaly was located between the two drill holes.

Monax completed a soil sampling program over the Vinco prospect with an area of anomalous lead-zinc outlined coincident with a prominent resistive anomaly from the IP data (see Figure 8).



Figure 7: Drilling at the Vinco prospect, Parndana Project.

Review of Operations

Parndana Project – Lead-Zinc (+Silver) (continued)

(100% MONAX)

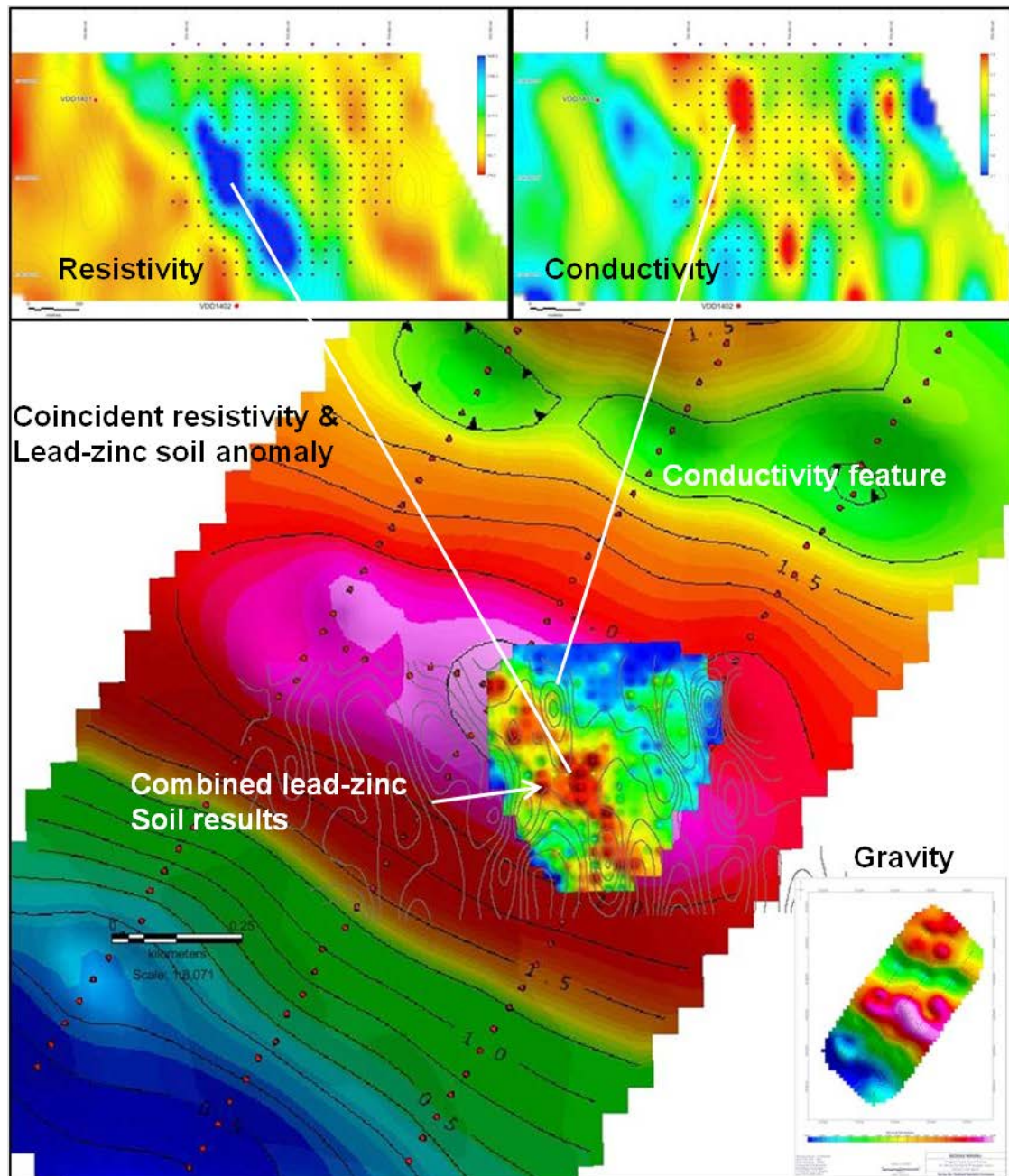


Figure 8: Vinco prospect – Summary of geophysical (IP and gravity) and soil sampling results showing coincident anomalous lead-zinc results with prominent resistivity anomaly in the IP data.

Monax | Antofagasta Strategic Alliance and Designated Projects

Monax 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.

Properties which were 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 then had 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.

Under the initial terms of the Strategic Alliance, which commenced in November 2011, Antofagasta committed to providing US\$1 million to the Alliance over two years for target-generation within South Australia. In October 2013, Antofagasta approved the extension of the Strategic Alliance between the two parties for a further year.

The Strategic Alliance was concluded at the end of the third year with many potential copper projects reviewed. Two Designated Projects were outlined during the Strategic Alliance.

Millers Creek Designated Project

Monax Alliance announced the signing of a Farm-In Agreement with Maximus Resources Limited (ASX: MXR) for the Billa Kalina project (see ASX Release 12 February, 2015).

The Millers Creek DP comprised three Monax Alliance tenements together with four MXR tenements located within the Woomera Prohibited Area (WPA) totalling 3165km² (Figure 10).

Monax Alliance undertook detailed gravity surveys (mix of 250m x 250m and 500m x 500m) over four areas. Interpretation of this data highlighted one standout target at Oliffes Dam. Monax Alliance undertook a high-resolution helicopter-borne magnetic survey over the Oliffes Dam target to assist with modelling and drill hole location.

The Oliffes Dam target was drilled in April 2015 with a mafic intrusive intersected at ~735m downhole and continued until the end of the hole at 911m (Figure 9). A review of the drilling data showed the mafic rock can explain the geophysical anomaly. Based on a review of the drill hole, the Millers Creek DP was concluded.



Figure 9: Drilling at Oliffes Dam, Millers Creek Project.

Review of Operations

Monax | Antofagasta Strategic Alliance and Designated Projects

Musgrave Designated Project

In August 2014, Monax announced the signing of a MOU with Rasp Resources NL and Musgrave Mining Pty Ltd (Rasp/Musgrave) for three tenements located in the Musgrave Province in the far northwest of South Australia (see ASX Release 22 August 2014 for further details).

Monax Alliance applied for one tenement which was incorporated into the Musgrave DP with the three tenements mentioned above.

No field work was undertaken prior to Antofagasta withdrawing from the project.

Monax has three licence applications within the Musgrave Province which were not part of the Musgrave DP and Monax has retained these applications (see Figure 12).

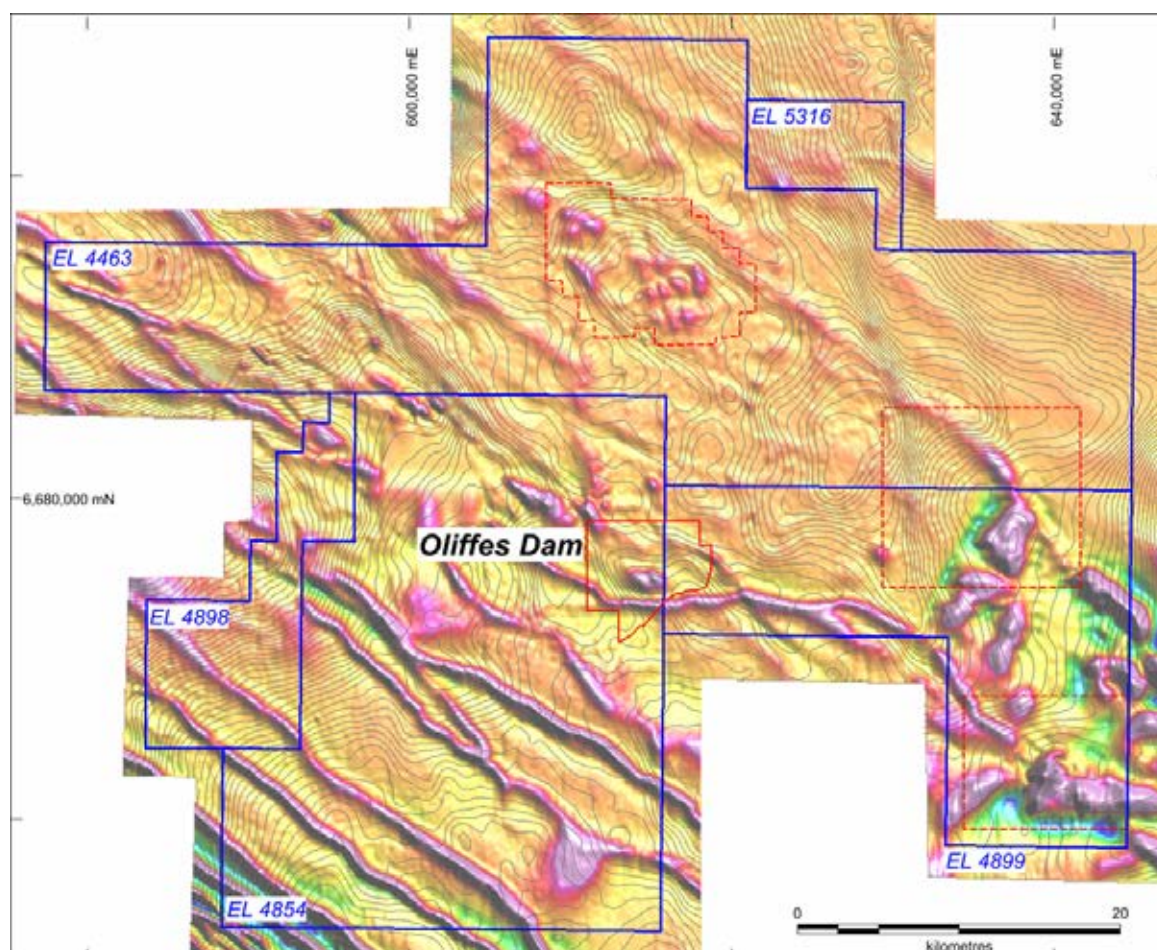


Figure 10: Background reduced to pole (RTP) magnetic image for Millers Creek DP, further processed with a high pass filter, highlighting shorter wavelength features. 2013 WPA gravity survey data merged with open file gravity data with old pre 1970 data deleted is shown as contours (5gu/0.5 Mgal contours). Red boxes represent areas of interest and additional gravity surveys.

Other Projects

Musgrave Project (Monax 100%)

In November 2013, Monax Alliance applied for three tenement applications in the Musgrave Province. These were originally selected for presenting to Antofagasta under the strategic alliance. Antofagasta passed on these tenement applications hence they became 100% Monax tenements.

The three tenements cover an area of 3396km² within the eastern part of the Musgrave Province and Monax will be targeting copper and copper-nickel style mineralisation.

Melton Project (25:75 joint venture with Marmota Energy Limited)

The Melton Project is located on the northern Yorke Peninsula and contains a 15km section of the highly-prospective Pine Point Fault Zone (PPFZ), along which Rex Minerals' Hillside deposit is located.

During the year, the joint venture undertook an airborne electromagnetic survey over the Melton Central area.

NW Queensland Project – Copper-Gold (Monax 100%)

During the year, Monax applied for three tenements in northwest Queensland (Figure 11). One tenement has been granted and the other two will be granted after a Native Title Agreement has been negotiated.

A review of historical company exploration shows all three tenements contain anomalous copper in rock chip samples.

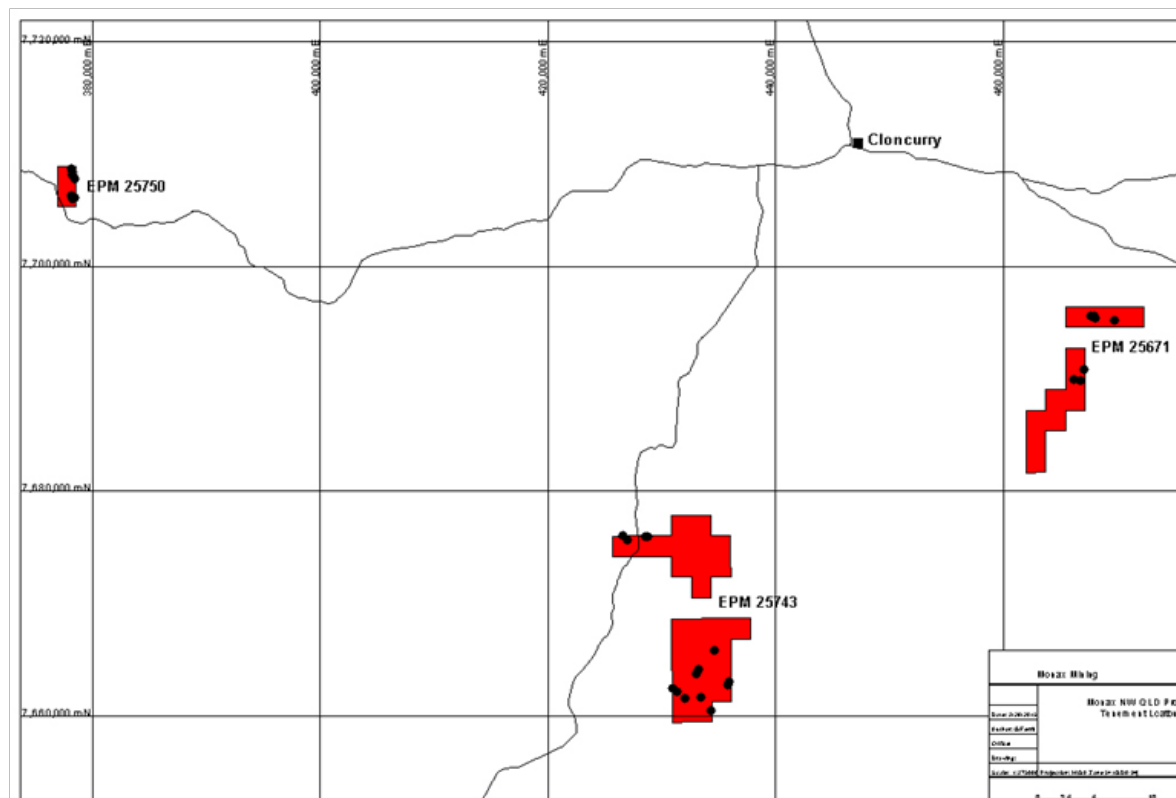


Figure 11: Location of Monax tenements in NW Queensland. Black dots represent copper mineral occurrences from the Qld Dept data set.

Review of Operations

Project Location Map



Figure 12: Location of Monax's projects in South Australia



2015 Financial Report Monax Mining Limited

The Directors present their report together with the financial report of Monax Mining Limited for the year ended 30 June 2015 and the auditor's report thereon.

Directors

The Directors of Monax Mining Limited ('the Company') at any time during or since the end of the financial year are as set out below. Details of Directors' qualifications, experience and special responsibilities are as follows:

Mr Robert Michael Kennedy ASAIT, Grad. Dip (Systems Analysis), FCA, AGIA, Life member AIM, FAICD

Independent Non-executive Chairman

Experience and expertise

Mr Kennedy, a Chartered Accountant has been Non-executive chairman of Monax Mining Limited since August 2004.

Mr Kennedy brings to the Board his expertise and extensive experience as chairman and non-executive director of a range of listed public companies in the resources sector.

Apart from his attendance at Board and Committee meetings, Mr Kennedy leads the development of strategies for the development and future growth of the Company. Mr Kennedy also leads the Board's external engagement of the Company meeting with Government, investors and is engaged with the media. He is a regular attendee of Audit Committee functions of the major accounting firms. He conducts the review of the Board including the Managing Director in his executive role.

Other current directorships

Mr Kennedy is a director of ASX listed companies Ramelius Resources Limited (since listing in March 2003), Flinders Mines Limited (since 2001), Maximus Resources Limited (since 2004), and Tychean Resources Limited (since 2006).

Former directorships in the last 3 years

Formerly he was a director of Beach Energy Limited (from 1991 until 2012), Crestal Petroleum Limited (formerly Tellus Resources Limited) (from December 2013 to February 2015) and Marmota Energy Limited (from April 2006 until April 2015).

Responsibilities

His special responsibilities include membership of the Audit, Governance and Remuneration Committee.

Interest in Shares and Options – 6,250,001 ordinary shares of Monax Mining Limited.

Mr Glenn Stuart Davis LLB, BEc, FAICD

Non-executive Director

Experience and expertise

Board member since 3 August 2004. Mr Davis is a solicitor and partner of DMAW Lawyers, a firm he founded. Mr Davis brings to the Board his expertise in the execution of large legal and commercial transactions and his expertise and experience in corporate activity regulated by the Corporations Act and ASX Ltd. He also has specialist skills and knowledge about the resources industry.

Other current directorships

Chairman of Beach Energy Limited (since November 2012) (a Director since July 2007).

Former directorships in the last 3 years

Formerly he was a director of Marmota Energy Limited (from 2007 until June 2015).

Responsibilities

Special responsibilities include membership of the Audit, Governance and Remuneration Committee.

Interest in Shares and Options – 2,775,455 ordinary shares of Monax Mining Limited.

Mr Gary Michael Ferris BSc (Hons), AusIMM., GAICD

Managing Director

Experience and expertise

Board member since 1 September 2009. Mr Ferris is a geologist with more than 20 years' experience in exploration and management and holds an Honours Degree in Geology from the University of Adelaide and a Masters Degree from the Centre for Ore Deposits and Exploration Studies, University of Tasmania.

Mr Ferris brings extensive experience in adding to the value of Monax's asset base and the execution of effective exploration programs.

Interest in Shares and Options – 1,920,100 ordinary shares of Monax Mining Limited.

Directors' Report

Mr Ian Roy Witton ASAIT, FCPA, FAICD

Alternate Director for Glenn Stuart Davis (appointed 28 January 2011; previously appointed 13 March 2009 ceased 24 June 2010)

Experience and expertise

Mr Witton is an independent non-executive director and has been a director for 25 years. Originally trained as an auditor, he was subsequently CEO and later Managing Director for 27 years of a licensed investment dealer developing and managing investment funds, savings, loans and a retirement village. He is also a director of a pharmacy and optical company and a public charitable trust fund. His principal experience is in funds and investment management, strategic development, risk management and corporate governance.

Former directorships in the last 3 years

Mr Witton was previously an Alternate Director of ERO Mining Limited.

Interest in Shares and Options – 248,205 ordinary shares of Monax Mining Limited.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Virginia Katherine Suttell B.Comm.,ACA.,GAICD.,
GradDipACG.

Appointed Company Secretary and Chief Financial Officer on 21 November 2007. She is a Chartered Accountant with over 20 years' experience working in public practice and commerce.

Principal activities

The company's principal activity is mineral exploration.

Directors' meetings

The Company held 14 meetings of Directors (including committees of Directors) during the financial year. The number of Directors' meetings and number of meetings attended by each of the Directors of the Company (including committees of Directors) during the financial year were as follows:

	DIRECTORS' MEETINGS		AUDIT, GOVERNANCE AND REMUNERATION COMMITTEE MEETINGS	
	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Director				
Robert Michael Kennedy	11	11	3	3
Glenn Stuart Davis	11	11	3	3
Gary Michael Ferris	11	11	-	-
Ian Roy Witton	1	1	-	-

Messrs Kennedy and Davis are members of the Audit, Governance and Remuneration Committee.

Mr Witton was present in meetings in the capacity of Alternate Director.

Directors' Report

Review of operations

Monax Mining Limited ('Monax') is an Adelaide based mineral explorer with projects located on the Gawler Craton region in South Australia. During the twelve months ended June 2015, Monax had completed or commenced four drilling programs with a further drilling program commenced in early July 2015.

Monax funded two of the five drilling programs (Parndana and Margaret Dam) with the remaining three fully funded by its joint venture/farm-in and alliance partners (Punt Hill, Millers Creek and Western Gawler Craton Projects). This model of spreading the exploration risk has allowed Monax to remain active during the year.

Drilling by Monax on the Parndana Project was targeting a gravity and induced polarisation target. The drilling did not intersect mineralisation and further geophysical and soil sampling has shown the main area of interest is located within the zone between the two completed drill holes.

Monax commenced drilling on the Margaret Dam target in late June 2015. The hole was targeting an interpreted kimberlite. The hole intersected a mafic intrusive.

Drilling at the Groundhog prospect on the Punt Hill Project intersected further copper mineralisation similar to previously reported. Monax successfully applied for South Australian government funding under the PACE program. Monax remains committed to further drilling at the Groundhog prospect.

During the year, Antofagasta withdrew from the Punt Hill Project and Monax elected to issue Antofagasta 9.99% of the company's shares and Antofagasta transferred back its 51% of the project to Monax. This transaction took place subsequent to the end of the financial year.

Drilling on the Millers Creek Designated Project was funded by Antofagasta and was targeting an iron-oxide copper-gold (IOCG) target at Oliffes Dam. The drill hole intersected a mafic intrusive at 711m depth with a review of the petrophysical data confirming the dolerite/diorite can adequately explain the anomaly with no further drilling warranted.

Antofagasta withdrew from the Millers Creek and Designated Projects and the Strategic Alliance between Monax and Antofagasta was concluded at the end of the third year.

In September 2014, Monax signed a Farm-In Agreement with Western Areas Limited ('Western Areas') for the Western Gawler Craton Project. Western Areas completed a detailed aeromagnetic survey in early 2015 and after a successful Aboriginal heritage clearance, commenced a major drilling program in July 2015.

In May 2015, Monax signed a Farm-In and Joint Venture Agreement with Iluka Resources Limited ("Iluka") over the Phar Lap project. Iluka are planning to conduct detailed ground gravity over three IOCG targets followed by drilling if the gravity results are positive.

Operating results and financial position

During the year, the Company continued exploration activities at its tenements. Total cash expenditure on exploration and evaluation activities totalled \$2,468,858.

The loss of the Company after providing for income tax amounted to \$7,136,516 (2014: loss \$6,911,985).

The net assets of the Group have been decreased by \$6,164,957 during the financial year from \$6,999,019 at 30 June 2014 to \$834,062 at 30 June 2015.

Dividends

No dividends have been paid or provided by the Company since the end of the previous financial year (2014: nil).

Significant change of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year

There has not arisen in the interval between 30 June 2015 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future years.

Future developments, prospects and business strategy

The Group's strategy is to explore for copper and gold across its portfolio of projects in South Australia.

The Board of Monax Mining Limited considers that, in the current environment of constrained capital, the best interests of shareholders in the Company will be served through a balanced approach of direct exploration by Monax and by seeking strategic alliances/joint ventures with other parties.

Monax is currently seeking new opportunities through the acquisition of projects which are suitable to joint venture to major companies. Monax currently has two projects fully funded by major mineral companies and the company believes this is the responsible approach to assist with exploration success. Monax still retains an active interest in the Punt Hill copper-gold and the Parndana base metals project and will undertake suitable exploration when funding is available.

Environmental regulation and performance statement

The Company's operations are subject to significant environmental regulations under both Commonwealth and South Australian legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Company on any of its tenements. To date the Company has only carried out exploration activities and there have been no known breaches of any environmental obligations.

Indemnification and insurance of officers

Indemnification

The Company is required to indemnify the Directors and other officers of the company against any liabilities incurred by the Directors and officers that may arise from their position as Directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each Director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Insurance premiums

Since the end of the previous year the Company has paid insurance premiums in respect of Directors' and officers' liability and legal expenses insurance contracts.

The terms of the policies prohibit disclosure of details of the amount of the insurance cover, the nature thereof and the premium paid.

Directors' Report

Options

At the date of this report unissued ordinary shares of Monax Mining Limited under option are:

EXPIRY DATE*	EXERCISE PRICE	NUMBER OF OPTIONS	VESTED	UNVESTED	AMOUNT PAID/ PAYABLE BY RECIPIENT (\$)
28/07/2016	\$0.051	225,000	225,000	-	-
23/07/2017	\$0.053	325,000	325,000	-	-
12/05/2020	\$0.026	1,200,000	1,200,000	-	-

*All options may be exercised at any time before expiry. Option holders will receive one ordinary share in the capital of the Company for each option exercised.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. There were no amounts unpaid on shares issued.

Proceedings on behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit services

There were no non-audit services provided by the external auditors of the parent or its related entities during the year ended 30 June 2015.

Auditor of the Company

The auditor of the Company for the financial year was Grant Thornton Audit Pty Ltd.

Auditor's Independence Declaration

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2015 is set out immediately following the end of the Directors' report.

Remuneration Report - audited

Remuneration policy

The remuneration policy of Monax Mining Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering other incentives based on performance in achieving key objectives as approved by the Board. The Board of Monax Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of board members and other key management personnel of the Company is as follows.

Remuneration and Nomination

The Audit, Governance and Remuneration Committee oversees remuneration matters and makes recommendations to the Board on remuneration policy, fees and remuneration packages for non-executive directors and senior executives. Details of the committee's members and its responsibilities are set out in the Corporate Governance Statement.

Non-executive Remuneration Policies

The Company's Constitution specifies that the total amount of remuneration of Non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-executive Directors of Monax Mining Limited has been set at \$300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The fees paid to Non-Executive Directors are not incentive or performance based but are fixed amounts that are determined by reference to the nature of the role, responsibility and time commitment required for the performance of the role including membership of board committees. The fees are set by the Audit, Governance and Remuneration Committee which consults independent advice from time to time.

Non-Executive Director remuneration is by way of fees and statutory superannuation contributions. Non-Executive Directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

Executive Remuneration Policies

The remuneration of the Managing Director is determined by the Non-executive Directors on the Audit, Governance and Remuneration Committee and approved by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board. During the year the Board did not engage external remuneration consultants.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Audit, Governance and Remuneration Committee is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel. The remuneration structure and packages offered to executives are summarised below:

- Fixed remuneration
- Short term incentive (STI) – The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Monax given the nature of the Company's business as a mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

Directors' Report

Remuneration Report - audited (cont.)

- Long term incentive (LTI) – equity grants, which may be granted annually at the discretion of the Board. From time to time, the Company may grant retention rights as considered appropriate by the Audit, Governance and Remuneration Committee and the Board, as a long term incentive for key management personnel. These rights are subject to shareholder approval at the Annual General Meeting in the year of grant. The intention of this remuneration is to facilitate the retention of key management personnel in order that the goals of the business and shareholders can be met. Under the terms of the issue of the retention rights, the rights will vest over a period of time, with a proportion of the rights vesting each year.
- Long term incentive (LTI) (continued) - The Company also has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options to acquire ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

At this time, there is no relationship between remuneration of Key Management Personnel and the Company's performance over the last five years.

Service Agreements

The employment conditions of the Managing Director, Mr Ferris are formalised in a contract of employment. The base salary as set out in the employment contract is reviewed annually. Mr Ferris was appointed 1 September 2009 and his employment conditions include a three month notice period. The Managing Director's contract may be terminated at any time by mutual agreement. The Company may terminate the contract without notice in instances of serious misconduct. Effective 11 August 2015, the Managing Director was given 3 months' notice of termination of employment as per the terms of his contract. Ms Suttell was employed by Groundhog Services Partnership to act as Chief Financial Officer and Company Secretary of Monax Mining Limited until 30 June 2015. The employment conditions are set out in a contract of employment and include a three month notice period.

Shares issued on exercise of remuneration options

No shares were issued to Directors as a result of the exercise of remuneration options during the financial year.

Remuneration Report - audited (cont.)

Remuneration of Directors and key management personnel

This report details the nature and amount of remuneration for each key management person of the entity and for the executives receiving the highest remuneration.

(a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the entity during the whole of the financial year are:

DIRECTORS	POSITION
Mr RM Kennedy	Chairman – Non-executive
Mr GS Davis	Director – Non-executive
Mr GM Ferris	Managing Director – Executive
Mr IR Witton	Alternate Director
Key management personnel	
Ms VK Suttell	Chief Financial Officer / Company Secretary

(b) Directors' remuneration

	SHORT TERM EMPLOYEE BENEFITS		LONG TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS		
	DIRECTORS' FEES	SALARY, FEES AND LEAVE	SUPER CONTRIBUTIONS	OPTIONS/ RIGHTS	TOTAL	PROPORTION OF REMUNERATION RELATING TO PERFORMANCE
	\$	\$	\$	\$	\$	
2015 PRIMARY BENEFITS						
Directors						
Mr RM Kennedy	76,712	-	7,288	-	84,000	-
Mr GS Davis ¹	48,038	-	-	-	48,038	-
Mr GM Ferris	-	240,777	18,783	-	259,560	-
Mr IR Witton ²	1,826	-	174	-	2,000	-
	126,576	240,777	26,245	-	393,598	-

2014 PRIMARY BENEFITS						
Directors						
Mr RM Kennedy	76,888	-	7,112	-	84,000	-
Mr GS Davis ¹	48,038	-	-	-	48,038	-
Mr GM Ferris	-	241,785	17,775	-	259,560	-
Mr IR Witton ²	2,000	-	-	-	2,000	-
	126,926	241,785	24,887	-	393,598	-

There were no cash bonuses paid or non-cash items in 2015 or 2014.

1. Director's fees for Mr Davis are paid to a related entity of the Director.

2. Mr Witton received remuneration for his services as an alternate director.

Directors' Report

REMUNERATION REPORT – AUDITED

Remuneration Report - audited (cont.)

(c) Key management personnel remuneration

	SHORT TERM EMPLOYEE BENEFITS	LONG TERM EMPLOYEE BENEFITS	SHARE- BASED PAYMENTS			
	FIXED REMUNER- ATION \$	SUPER CON- TRIBUTIONS \$	OPTIONS/ RIGHTS \$	TERMINA- TION PAYMENTS \$	TOTAL \$	PROPORTION OF REMUNERA- TION RELATING TO PERFOR- MANCE

2015 PRIMARY BENEFITS

Key management personnel excluding Directors

Ms VK Suttell**	110,744	10,945	1,600	29,653	152,942	-
	110,744	10,945	1,600	29,653	152,942	-

2014 PRIMARY BENEFITS

Key management personnel excluding Directors

Ms VK Suttell**	111,228	10,442	-	-	121,670	-
	111,228	10,442	-	-	121,670	-

There were no cash bonuses paid in 2015 or 2014.

** Ms Suttell was appointed as a Company Secretary and Chief Financial Officer on 21 November 2007. Ms Suttell was employed by the Groundhog Services Partnership until 30 June 2015. From 1 July 2015, Ms Suttell is engaged as a consultant to act as Company Secretary and Chief Financial Officer.

Mr Ferris was appointed Managing Director of Monax Mining Limited on 1 September 2009. Pursuant to his service agreement, Mr Ferris is paid a total package of \$259,560 per annum inclusive of superannuation guarantee contributions on an ongoing employment basis with a three month notice period. There were neither post employment retirement benefits previously approved by members of the Company in a general meeting nor any paid to Directors of the Company.

(d) Director related entities

Information of amounts paid to director related entities is set out in Note 23 to the financial statements.

Remuneration Report - audited (cont.)

(e) Post-employment/retirement benefits

There were no post employment retirement benefits other than superannuation at the statutory amount paid or payable to directors and key management personnel.

(i) Share holdings

The number of shares in the company held during the financial year by each director of Monax Mining Limited and other key management personnel of the Company, including their personal related parties, are set out below. There were no shares granted during the year as remuneration.

Shares in Monax Mining Limited

	BALANCE 1/07/14	RECEIVED AS REMUNERA- TION	OPTIONS / RIGHTS EXERCISED	NET CHANGE OTHER ¹	BALANCE 30/06/15	TOTAL HELD IN ESCROW 30/06/15
HELD BY DIRECTORS IN OWN NAME						
Mr RM Kennedy	-	-	-	-	-	-
Mr GS Davis	72,727	-	-	-	72,727	-
Mr GM Ferris	-	-	-	-	-	-
Mr IR Witton	-	-	-	-	-	-
	72,727	-	-	-	72,727	-
HELD BY DIRECTORS' PERSONALLY RELATED ENTITIES						
Mr RM Kennedy	5,000,000	-	-	1,250,001	6,250,001	-
Mr GS Davis	2,702,728	-	-	-	2,702,728	-
Mr GM Ferris	1,920,100	-	-	-	1,920,100	-
Mr IR Witton	198,564	-	-	49,641	248,205	-
TOTAL HELD BY DIRECTORS	9,894,119	-	-	1,299,642	11,193,761	-
KEY MANAGEMENT PERSONNEL EXCLUDING DIRECTORS						
Ms VK Suttell	638,727	-	-	-	638,727	-
TOTAL	10,532,846	-	-	1,299,642	11,832,488	-

Directors' Report

REMUNERATION REPORT – AUDITED

Remuneration Report - audited (cont.)

(ii) Option holdings

The number of options over ordinary shares in the company held during the financial year by each director of Monax Mining Limited and any other key management personnel of the Company, including their personal related parties are set out below. No options were granted to Key Management Personnel during the 2014 financial year:

Options in Monax Mining Limited

	OPTION CLASS	BALANCE 1/07/14	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER ¹	BALANCE 30/06/15	TOTAL VESTED 30/06/15	TOTAL EXERCISABLE 30/06/15
HELD BY DIRECTORS IN OWN NAME								
Mr RM Kennedy		-	-	-	-	-	-	-
Mr GS Davis		-	-	-	-	-	-	-
Mr GM Ferris		-	-	-	-	-	-	-
Mr IR Witton		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
HELD BY DIRECTORS' PERSONALLY RELATED ENTITIES								
Mr RM Kennedy	(a)	-	-	-	625,001	625,001	625,001	625,001
Mr GS Davis		-	-	-	-	-	-	-
Mr GM Ferris		-	-	-	-	-	-	-
Mr IR Witton	(a)	-	-	-	24,821	24,821	24,821	24,821
TOTAL HELD BY DIRECTORS		-	-	-	649,822	649,822	649,822	649,822
KEY MANAGEMENT PERSONNEL EXCLUDING DIRECTORS								
Ms VK Suttell	(b)	-	400,000	-	-	400,000	400,000	400,000
	(c)	175,000	-	-	(175,000)	-	-	-
TOTAL		175,000	400,000	-	474,822	1,049,822	1,049,822	1,049,822

(a) Listed options exercisable at \$0.042 by 29/07/2015

(b) Unlisted options exercisable at \$0.026 by 12/05/2020. Refer note19 for valuation methodology.

(c) Unlisted options exercisable at \$0.0917 by 05/03/2015

1. Net change other refers to shares/options purchased and/or sold/exercised during the financial year and shares no longer held by Directors or their related entities.

Remuneration Report - audited (cont.)

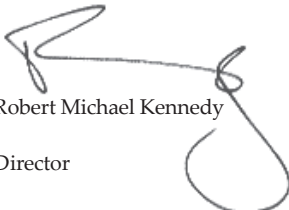
(f) Related Party Disclosures

During the financial year ended 30 June 2015, Monax used the legal services of DMAW Lawyers, a legal firm of which Mr Davis is a partner. Monax paid \$30,683 during the financial year (2014 \$63,785) to DMAW Lawyers for legal and advisory services. As at 30 June 2015, \$4,939 is payable for invoices received but not yet paid. (2014:\$24,082)

During the financial year ended 30 June 2015, Monax paid Marmota Energy Limited, a company of which Mr Kennedy and Mr Davis were directors, an amount of \$14,159 (2014 \$108) for exploration and joint logistics.

During the financial year ended 30 June 2015, Monax paid the Groundhog Services Partnership, a related entity of Monax Mining Limited, \$185,176 (2014 \$202,777) for the provision of administration and logistical services.

The Report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors:



Robert Michael Kennedy
Director

Dated at Adelaide this 21st day of September 2015

Directors' Report

REMUNERATION REPORT – AUDITED



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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MONAX MINING LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Monax Mining Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S K Edwards

S K Edwards
Partner – Audit & Assurance

Adelaide, 21 September 2015

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

Auditor's Independence Declaration

CONSOLIDATED	NOTE	2015 \$	2014 \$
Revenue	2	200,421	124,601
Total revenue		200,421	124,601
Administration expenses	3	144,422	184,334
Consulting expenses	3	56,181	67,707
Depreciation expense	3	19,764	21,523
Employment expenses	3	225,208	232,433
Occupancy expenses		4,004	4,231
Service fees		153,186	140,720
Impairment of assets	3	6,533,494	6,290,139
Impairment of available for sale asset		161,095	-
Debt forgiveness		6,447	-
Loss on disposal of available for sale asset		2,180	79,262
Profit/(loss) before income tax expense		(7,105,560)	(6,895,748)
Income tax benefit/(expense)	4	(30,956)	(16,237)
Profit/(loss) after income tax expense		(7,136,516)	(6,911,985)
Profit/(loss) attributed to members of the parent entity		(7,136,516)	(6,911,985)
Other comprehensive income			
Items that may be classified to profit or loss			
Change in fair value of available for sale assets		132,802	(132,802)
Total other comprehensive income		132,802	(132,802)
Total comprehensive income for the year		(7,003,714)	(7,044,787)
Basic earnings per share (cents)	6	(3.39)	(4.49)
Diluted earnings per share (cents)	6	(3.39)	(4.49)

The accompanying notes form part of these financial statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED	NOTE	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	7	1,071,929	1,280,943
Trade and other receivables	8	55,361	353,212
Other current assets	9	13,276	18,161
Total current assets		1,140,566	1,652,316
Non-current assets			
Plant and equipment	10	46,383	82,369
Exploration and evaluation assets	15	180,697	5,796,162
Investments accounted for using the equity method	11	1	1
Available for sale financial assets	12	-	91,953
Deferred tax asset		-	27,585
Total non-current assets		227,081	5,998,070
Total assets		1,367,647	7,650,386
Current liabilities			
Trade and other payables	16	423,164	494,427
Short term provisions	17	83,756	86,953
Total current liabilities		506,920	581,380
Non-current liabilities			
Deferred tax liability		-	27,585
Long term provisions	17	26,665	42,402
Total non-current liabilities		26,665	69,987
Total liabilities		533,585	651,367
Net assets		834,062	6,999,019
Equity			
Issued capital	18	21,034,163	20,200,206
Reserves	26	785,080	647,478
Retained Losses		(20,985,181)	(13,848,665)
Total Equity		834,062	6,999,019

Consolidated Statement of Financial Position

CONSOLIDATED	ISSUED CAPITAL \$ (NOTE 18)	RESERVES \$	RETAINED LOSSES \$	TOTAL \$
Balance at 1 July 2013	19,683,697	780,280	(6,936,680)	13,527,297

Transactions with owners in their capacity as owners:

Proceeds from the issue of shares during the year	554,288	-	-	554,288
Costs associated with the issue of shares during the year	(37,779)	-	-	(37,779)
	20,200,206	780,280	(6,936,680)	14,043,806
Loss attributable to members of the parent entity	-	-	(6,911,985)	(6,911,985)
Other comprehensive income	-	(132,802)	-	(132,802)
Total comprehensive income	-	(132,802)	(6,911,985)	(7,044,787)
Balance at 30 June 2014	20,200,206	647,478	(13,848,665)	6,999,019

Transactions with owners in their capacity as owners:

Proceeds from the issue of shares during the year	899,152	-	-	899,152
Fair value of options issued to employees	-	4,800	-	4,800
Costs associated with the issue of shares during the year	(65,195)	-	-	(65,195)
	21,034,163	652,278	(13,848,665)	7,837,776
Loss attributable to members of the parent entity	-	-	(7,136,516)	(7,136,516)
Other comprehensive income	-	132,802	-	132,802
Total comprehensive income	-	132,802	(7,136,516)	(7,003,715)
Balance at 30 June 2015	21,034,163	785,080	(20,985,181)	834,062

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED	NOTE	2015 \$	2014 \$
Cash flows from operating activities			
Cash receipts in the course of operations		154,168	92,008
Cash payments in the course of operations		(629,268)	(610,156)
Interest received		46,508	34,064
Net cash (used in) operating activities	22(b)	(428,592)	(484,084)
Cash flows from investing activities			
Payments for plant and equipment		-	(27,653)
Payments for exploration and evaluation assets		(2,468,858)	(1,262,408)
Cash advance joint venture activities		1,526,765	466,173
Proceeds from sale of investments		61,480	510,929
Proceeds from sale of mining tenements		290,000	10,000
Loans to related entities		4,174	171,483
Net cash (used in) investing activities		(586,439)	(131,476)
Cash flows from financing activities			
Proceeds from issue of shares		899,152	554,288
Payments associated with issue of shares		(93,135)	(54,016)
Net cash provided by financing activities		806,017	500,272
Net (decrease) in cash held		(209,014)	(115,288)
Cash at the beginning of the financial year		1,280,943	1,396,231
Cash at the end of the financial year	22(a)	1,071,929	1,280,943

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

1 Statement of significant accounting policies

The financial report includes the financial statements and notes of Monax Mining Limited and Consolidated Entity ('Group').

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporation Act 2001. The Company is a for-profit entity for the purpose of preparing financial statements.

The following report covers Monax Mining Limited, a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Principles of consolidation

The Group financial statements consolidate those of the Parent and all of its subsidiaries as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All transactions and balances between

Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(c) Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(income) and deferred income tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted at reporting date.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax (expense)/benefit is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Notes to the Financial Statements

(c) Income tax (continued)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount

is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

All fixed assets are depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Plant and equipment	5% – 33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

(f) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the provisions to the instrument. For financial assets this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through the profit or loss', in which case the costs are expensed to the Statement of Profit or Loss and Other Comprehensive Income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the interest rate method or cost. Where available, quoted prices, in an active market are used to determine fair value.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets except for those not expected to mature within 12 months after the end of the reporting period.

(ii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost.

(iii) Available for sale financial assets

Available for sale financial assets are non derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise the investments in the equity of other entities where there is neither a fixed maturity nor determinable payments.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

(h) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying

Notes to the Financial Statements

value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be wholly settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity settled compensation

The Company operates equity settled share-based payment employee share option schemes. The fair value of options is ascertained using the Black-Scholes pricing model which incorporates all market vesting conditions. The fair value of retention rights is ascertained using the binomial valuation model.

(j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(l) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of goods and services tax (GST).

(m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the Statement of Financial Position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) Interests in joint ventures

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation. Details of the Company's interests are shown at Note 13.

(o) Investments in associates

Associate companies are companies in which the Company has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associate companies are recognised in the financial statements by applying the equity method of

accounting. The equity method of accounting recognises the initial investment at cost and adjusted thereafter for the Company's share of post-acquisition reserves and profits/ (losses) of its associates. Details of the Company's interest in associates is shown at Note 11.

(p) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days or recognition of the liability.

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge

and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Company.

Key estimates – impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Key judgements – exploration and evaluation expenditure

The entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

(t) New and amended standards adopted by the Group

A number of new and revised standards are effective for annual periods beginning on or after 1 July 2014. Information on these new standards is presented below.

The Group has adopted the following revisions and amendments to AASB's issued by the Australian Accounting Standards Board and IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 July 2014.

Notes to the Financial Statements

- AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2012-3: AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets; and
- AASB 2014-1: Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles).

Management has reviewed the requirements of the above standards and has concluded that there was no effect on the classification or presentation of balances.

Recently issued accounting standards to be applied in future accounting periods

The accounting standards that have not been early adopted for the year ended 30 June 2015, but will be applicable to the Group in future reporting periods are detailed below. Apart from these standards, we have considered other accounting standards that will be applicable in future reporting periods, however they have been considered insignificant to the Group.

(i) AASB 9 Financial Instruments (December 2014)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c. Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

d. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

e. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI')
- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

(ii) *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation.*

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances:

- a. The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
- b. When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

(iii) *AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.*

The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated

- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position

- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order

- remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

(iv) *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.*

The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

When this Standard is first adopted for the year ending 30 June 2016, there will be no impact on the financial statements.

Other standards not yet issued and not expected to impact on the Group:

- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014 Application of AASB 9 (December 2009) and AASB 9 (December 2010)

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The entity has not yet assessed the full impact of these amendments.

Notes to the Financial Statements

(u) Parent entity financial information

The financial information for the parent entity, Monax Mining Limited, disclosed in Note 27 has been prepared on the same basis as the consolidated financial statements, other than investments in subsidiaries and associates, which have been recorded at cost less any impairments.

(v) Going Concern

The financial report has been prepared on the basis of going concern.

The cash flow projections of the Group indicate that it will require positive cash flows from additional capital for continued operations. The Group incurred a net loss of \$7,136,516 and operations were funded by a net cash outlay of \$1,015,031 from operating and investing activities. The Group's ability to continue as a going concern is contingent on obtaining additional capital. If additional capital is not obtained, the going concern basis may not be appropriate, with the results that the consolidated entity may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

(w) Authorisation for issue of financial statements

The financial statements were authorised for issue by the Board of Directors on 21st September 2015.

	NOTE	CONSOLIDATED	
		2015 \$	2014 \$

2 Revenue

Other revenues:

From operating activities

Interest received from other parties		48,080	32,593
Other revenue		152,341	92,008
Total revenue		200,421	124,601

	NOTE	CONSOLIDATED	
		2015 \$	2014 \$

3 Loss before income tax has been determined after

Expenses:

Administration expenses

ASX fees		16,515	23,054
Share registry fees		23,844	23,670
Insurance		19,610	31,749
Audit and other services		26,000	26,070
Other		58,453	79,791
		144,422	184,334

Consulting expenses

Legal fees		12,385	17,232
Corporate consulting		38,346	43,625
Accounting and secretarial services		5,450	6,850
		56,181	67,707

Depreciation expenses

Plant and equipment		19,764	21,523
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Employment expenses

Salaries and wages		546,640	669,132
Directors' fees		134,038	134,033
Superannuation		58,720	61,432
Provisions		17,355	(6)
Share-based payments		4,800	-
Other		7,279	17,184
Reallocation to exploration costs		(543,624)	(649,342)
		225,208	232,433

Impairment of assets

Exploration	15	6,533,494	6,290,139
		6,533,494	6,290,139

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	CONSOLIDATED	
		2015 \$	2014 \$

4 Income tax benefit/(expense)

The components of tax expense comprise:

Current income tax		(3,015)	-
Deferred income tax		-	-
Tax portion of capital raising costs		(27,941)	(16,237)
Income tax benefit/(expense) reported in the statement of profit or loss and other comprehensive income		(30,956)	(16,237)

The prima facie income tax on profit before income tax is reconciled to the income tax as follows:

Prima facie income tax benefit/(expense) calculated at 30% on loss (2014: 30%)		2,131,670	2,068,724
Tax losses utilised		(126,308)	(181,682)
Tax portion of capital raising costs		(27,941)	(16,237)
Unrealised gains		-	-
Non-deductable impairment expense		(2,008,377)	(1,887,042)
Income tax benefit/(expense) attributable to loss		(30,956)	(16,237)

Income tax losses

Deferred tax asset arising from carried forward tax losses not recognised at reporting date as the asset is not regarded as meeting the probable criteria

- tax losses at 30%		(5,735,333)	(5,530,993)
Temporary differences		(5,728)	111

5 Auditors' remuneration

Audit services:

Auditors of the Company – Grant Thornton

Audit and review of the financial reports	26,000	26,000
	26,000	26,000

6 Earnings per share

(a) Classification of securities

All ordinary shares have been included in basic earnings per share.

(b) Classification of securities as potential ordinary shares

425,000 unlisted options exercisable at \$0.0917 by 05/03/2015
 21,407,394 listed options exercisable at \$0.042 by 29/07/2015
 225,000 unlisted options exercisable at \$0.051 by 28/07/2016
 325,000 unlisted options exercisable at \$0.053 by 23/07/2017
 1,200,000 unlisted options exercisable at \$0.026 by 12/05/2020

Options granted to employees under the Monax Mining Limited Employee Share Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

	CONSOLIDATED	
	2015 \$	2014 \$
(c) Earnings used in the calculation of earnings per share		
(Loss)/profit after income tax expense	(7,136,516)	(6,911,985)

(d) Weighted average number of shares outstanding during the year used in calculating earnings per share

Number for basic and diluted earnings per share		
Ordinary shares	210,390,263	153,861,520

	CONSOLIDATED	
	2015 \$	2014 \$

7 Cash and cash equivalents

Cash at bank	1,056,929	780,943
Deposits at call	15,000	500,000
	1,071,929	1,280,943

8 Trade and other receivables

Current

Trade receivables	55,361	318,890
Loan to related party	-	34,322
	55,361	353,212

Receivables are not considered past due and/or impaired (2014: nil).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED	
	2015 \$	2014 \$

9 Other current assets

Prepayments	13,276	18,161
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10 Plant and equipment

Plant and equipment

At cost	301,554	301,554
Accumulated depreciation	(255,171)	(219,185)
Net book value	46,383	82,369

Reconciliations

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

Plant and equipment

Carrying amount at beginning of year	82,369	93,742
Additions	-	27,654
Disposals	-	-
Depreciation	(35,986)	(39,027)
Carrying amount at end of year	46,383	82,369

11 Investments in associates

Interests are held in the following associated companies.

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF IN- CORPORATION	SHARES	OWNERSHIP INTEREST		CARRYING AMOUNT OF INVESTMENT	
UNLISTED				2015	2014	2015	2014
Groundhog Services Pty Ltd	Administration services	Australia	Ord	50%	50%	1	1
Groundhog Partnership	Administration services	n/a	n/a	50%	50%	-	-

(a) Movements during the year in equity accounted investments in associated entities

	CONSOLIDATED	
	2015 \$	2014 \$
Balance at the beginning of the financial year	1	1
New investments during the year	-	-
Share of associated entity's (loss)/ profit after income tax	-	-
Sale of investments during period	-	-
Balance at the end of the financial year	1	1

11 Investments in associates (continued)

(b) Equity accounted profits of associates are broken down as follows:

	CONSOLIDATED	
	2015 \$	2014 \$
Share of associate's (loss)/profit before income tax	-	-
Share of associate's income tax (expense)	-	-
Share of associate's (loss)/profit after income tax expense	-	-

(c) Summarised presentation of aggregate assets, liabilities and performance of associates

The Company's share of the results of its principle associates and its aggregated assets and liabilities are as follows:

Current assets	2	2
Non-current assets	-	-
Total assets	2	2
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	2	2

12 Available for sale financial assets

Available for sale investments		
Marmota Energy Limited (related party)	-	91,953

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

13 Interests in unincorporated joint operations

Monax Mining Limited has the following interests in unincorporated joint operations

NO	STATE	AGREEMENT NAME	PARTIES	SUMMARY
1	SA	Melton Joint Venture	Monax Mining Limited (MOX) and Marmota Energy Limited (MEU)	MEU will have the right to explore for all minerals in the area covered by Exploration Licences EL 5209 and EL 5122. MOX and MEU operate a 25:75 joint venture
2	SA	Punt Hill Farm-in Agreement	Monax Mining Limited (MOX) and Antofagasta Minerals SA (AMS)	MOX gives AMS the right to explore for all minerals in the area covered by Exploration Licences EL 4642 and EL 4548. AMS has the right to earn 51% interest in the tenement by expending US\$4 million over 4 years. Antofagasta withdrew from the Agreement effective 15 June 2015
3	SA	Western Areas Limited Farm-in and Joint Venture Agreement	Monax Mining Limited (MOX) and Western Areas Limited (WSA)	MOX gives WSA the right to explore for all minerals in the area covered by Exploration Licences EL 5077, EL 5199 and EL 5200. WSA has the right to earn an initial 75% interest by spending \$800,000 within the first year and a further 15% interest by expending \$400,000 within 1.5 years. Upon reaching 90%, MOX and WSA form a joint venture with exploration funded pro rata (10:90)
4	SA	Iluka Resources Limited Farm-in and Joint Venture Agreement	Monax Mining Limited (MOX) and Iluka Resources Limited (ILU)	MOX gives ILU the right to explore for all minerals in the area covered by Exploration Licence EL 5123. ILU has the right to earn an initial 80% of the project by funding \$2 million of exploration over four years with \$400,000 being expended in the first 2 years after which ILU can withdraw at any time.

14 Controlled entities

(a) Controlled entities consolidated

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entity in accordance with the accounting policy described in Note 1(b):

	COUNTRY OF IN-CORPORATION	PERCENTAGE OWNED (%)	
		2015 %	2014 %
Subsidiaries of Monax Mining Limited:			
Monax Alliance Pty Ltd	Australia	100	100

15 Exploration and evaluation assets

	CONSOLIDATED	
	2015 \$	2014 \$
Movement:		
Carrying amount at beginning of year	5,796,162	11,737,172
Additional costs capitalised during the year	918,029	679,683
Sale of interest	-	(330,554)
Impairment of exploration asset ¹	(6,533,494)	(6,290,139)
Carrying amount at end of year	180,697	5,796,162

Closing balance comprises:

Exploration and evaluation		
- 100% owned	-	432,820
Exploration and evaluation phase		
- Joint Venture	180,697	5,363,342
	180,697	5,796,162

The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

¹ The impairment of the exploration asset in 2014 / 2015 relates predominantly to the impairment within the Gawler Craton Area of Interest. The asset was impaired based on what the company believes it is readily able to explore or obtain interest in from a third party.

	CONSOLIDATED	
	2015 \$	2014 \$

16 Trade and other payables

Trade payables	50,540	154,740
Other payables and accruals	367,685	315,605
Amounts payable to Director related entities*	4,939	24,082
	423,164	494,427

* Details of amounts payable to Director related entities are detailed in Note 23.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

17 Provisions

Current

Employee benefits	83,756	86,953
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Non-current

Employee benefits	26,665	42,402
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Provision for long service leave

A provision for long service leave has been recognised for employee benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1(i) to this report.

Provisions

Opening balance at beginning of year	129,355	123,562
Additional provisions	(18,934)	5,793
Balance at end of year	110,421	129,355

18 Issued Capital

	CONSOLIDATED	
	2015 \$	2014 \$

Issued and paid-up share capital

214,073,318 (2014: 171,257,603) ordinary shares, fully paid	21,034,163	20,200,206
---	------------	------------

(a) Ordinary shares

Balance at the beginning of year:	20,200,206	19,683,697
Shares issued during the year:		
14,656,421 (2014: 17,110,346) shares issued under placement	307,786	436,314
28,158,294 (2014: 3,932,454) shares issued under a non-renounceable rights issue	591,324	117,974
Nil (2014: 700,000) shares issued on vesting of share rights	-	-
997 (June 2014: Nil) shares issued on exercise of options	42	-
Less transaction costs arising from the issue of shares net of tax	(65,195)	(37,779)
Balance at end of year	21,034,163	20,200,206

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

In the event of winding up of the Company ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

18 Issued Capital (continued)

(b) Options/rights

For information relating to the Monax Mining Limited Employee Share Option Plan including details of any options issued, exercised and lapsed during the financial year, refer to Note 19.

No share options or share rights were issued to executive Directors during the financial year.

At 30 June 2015, there were 23,156,397 (30 June 2014: 975,000) unissued shares for which the following options/rights were outstanding.

21,406,397 listed options exercisable at \$0.042 by 29/07/2015
 225,000 unlisted options exercisable at \$0.051 by 28/07/2016
 325,000 unlisted options exercisable at \$0.053 by 23/07/2017
 1,200,000 unlisted options exercisable at \$0.026 by 12/05/2020

(c) Capital Management

Management effectively manages the company's capital by assessing the Company's financial risks and adjusting its capital structure accordingly. These responses include share issues. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year. Capital is shown as issued capital in the Statement of Financial Position.

19 Share-based payments

Share-based payment arrangements are in line with the Monax Mining Limited Employee Share Option plan and retention rights scheme, details of which are outlined in the directors' report.

(i) Options

Listed below are summaries of options granted:

MONAX MINING LIMITED	2015			2014		
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE \$	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE \$	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE
Outstanding at the beginning of the year	975,000	0.0694		1,200,000	0.1023	
Granted – May 2015	1,200,000	0.026		-		
Exercised	-			-		
Expired	-			-		
Lapsed	(425,000)			(225,000)		
Outstanding at year-end	1,750,000	0.0342	1,406 days	975,000	0.0694	655 days
Exercisable at year-end	1,750,000			975,000		

On 5 March 2010, 425,000 share options were granted to employees under the Monax Mining Limited Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.0917 each. These options expired during the period.

On 28 July 2011, 225,000 share options were granted to employees under the Monax Mining Limited Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.051 each. These options are exercisable on or before 28 July 2016.

Notes to the Financial Statements

19 Share-based payments (continued)

On 23 July 2012, 325,000 share options were granted to employees under the Monax Mining Limited Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.053 each. These options are exercisable on or before 23 July 2017.

On 12 May 2015, 1,200,000 share options were granted to employees under the Monax Mining Limited Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.026 each. These options are exercisable on or before 12 May 2020.

The options are non-transferable except as allowed under the Monax Mining Limited Employee Share Option Plan and are not quoted securities. At reporting date, no share options had been exercised.

All options granted to Executive Directors and key management personnel are over ordinary shares in Monax Mining Limited which confer a right of one ordinary share for every option held. The life of the options is based on the days remaining until expiry.

No options were granted to Executive Directors and key management personnel as share-based payments during the year other than 400,000 unlisted options issued to Virginia Katherine Suttell as disclosed in the Remuneration Report.

The options hold no voting or dividends rights and are unlisted. The options lapse six months subsequent to the cessation of employment with the Company. There are no vesting conditions attached to the options

The fair value of the options granted was calculated by using the Black-Scholes option pricing model applying the following inputs.

	MAY 2015	JULY 2012	JULY 2011	MARCH 2010
Weighted average fair value (Black-Scholes)	\$0.004	\$0.055	\$0.05	\$0.085
Weighted average exercise price	\$0.026	\$0.053	\$0.051	\$0.0917
Weighted average life of the option	1,826 days	1,826 days	1,826 days	1,825 days
Underlying share price	\$0.01	\$0.06	\$0.06	\$0.10
Expected share price volatility	78%	152%	113%	122%
Risk free interest rate	2.0%	2.27%	4.25%	4.00%

The life of the options is based on the days remaining until expiry. Volatility is based on historical share prices.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were as follows:

	CONSOLIDATED	
	2015 \$	2014 \$
Options issued under employee option plan	4,800	-
Retention rights issued	-	-
	4,800	-

20 Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	CONSOLIDATED	
	2015 \$	2014 \$
Financial assets		
Cash and cash equivalents	1,071,929	1,280,943
Loans and receivables	55,361	353,212
Available for sale investments	-	91,953
	1,127,290	1,726,108
Financial liabilities		
Trade and other payables	423,164	494,427
	423,164	494,427

Financial risk management policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the Company.

Specific financial risk exposures and management

The main risks the Company is exposed to includes liquidity risk, credit risk and interest rate risk.

(a) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Company in managing its cash flows. Financial liabilities are expected to be settled within 12 months.

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the entity which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provision for doubtful debts.

No receivables are considered past due or impaired at reporting date.

Notes to the Financial Statements

20 Financial risk management (continued)

(c) Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The company has no long term financial liabilities upon which it pays interest. Cash is held in an interest yielding cheque account and on short term call deposit where the interest rate is both fixed and variable according to the financial asset.

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. At 30 June 2015 approximately 39% of Company deposits are fixed.

Interest rate

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. It should be noted that the company does not have borrowings and any impacts would be in relation to deposit yields on cash investments.

Interest rate sensitivity analysis

At reporting date, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	CONSOLIDATED	
	2015 \$	2014 \$
Change in loss		
Increase in interest rates by 2%	21,439	25,619
Decrease in interest rates by 2%	(21,439)	(25,619)
Change in equity		
Increase in interest rates by 2%	21,439	25,619
Decrease in interest rates by 2%	(21,439)	(25,619)

21 Commitments and contingent liabilities

(a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the entity will be required to outlay in the year ending 30 June 2015 amounts of approximately \$1,132,500 (2014: \$1,645,850) to meet minimum expenditure requirements pursuant to various joint venture requirements and those specified by the State Government of South Australia. These obligations are subject to renegotiation when application for a mining lease is made and at other times. The Company will continue to review its tenement holdings and make appropriate elections regarding maintaining tenure of tenements during the licence period. These obligations are not provided for in the financial report.

21 Commitments and contingent liabilities (continued)

(b) Operating lease commitments

In July 2013, Monax Mining Limited entered into a non-cancellable operating lease for a two year period for office and warehouse accommodation.

	MINIMUM LEASE PAYMENTS DUE			
	WITHIN 1 YEAR \$	1 TO 5 YEARS \$	AFTER 5 YEARS \$	TOTAL \$
June 2015	15,045	-	-	15,045
June 2014	58,710	-	-	58,710

(c) Contingent liabilities

As at 30 June 2015, there were no contingent liabilities (2014: nil).

(d) Bank Guarantees

The Group has negotiated a bank guarantee in favour of a service provider. The total nominal amount of this guarantee at the reporting date is \$15,000 (2014: \$15,000). This bank guarantee is fully secured by cash on term deposit.

	NOTE	CONSOLIDATED	
		2015 \$	2014 \$

22 Notes to the statement of cash flows

(a) Cash at the end of the financial year consists of the following:

Cash at bank and at call	7	1,071,929	1,280,943
		1,071,929	1,280,943

(b) Reconciliation of profit after income tax to net cash outflow from operating activities

Loss after income tax		(7,136,516)	(6,911,985)
Add/(less) non cash items			
Depreciation		19,764	21,523
Share-based payments		4,800	-
Impairment of available for sale asset		161,095	-
Impairment of exploration asset		6,533,494	6,290,139
Loss/(Gain) on disposal of available for sale asset		2,180	79,262
Tax effect of capital raising costs		27,941	-
Changes in operating assets and liabilities			
(Increase)/decrease in other assets		4,885	12,059
(Increase)/decrease in trade and other receivables		297,846	(127,995)
(Decrease)/increase in trade and other payables		(325,147)	147,120
(Decrease)/increase in provisions		(18,934)	5,793
Net cash (used in) operating activities		(428,592)	(484,084)

Notes to the Financial Statements

23 Related parties

Directors' transactions with the Company

A number of Directors of the Company, or their Director related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with Directors and their Director related entities were no more favourable to the Directors and their Director related entities than those available, or which might reasonably be expected to be available, on similar transactions to Non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year (excluding re-imbursement of expenses incurred on behalf of the Company) relating to Directors and their Director related entities were as follows:

DIRECTOR	TRANSACTION	NOTE	CONSOLIDATED	
			2015 \$	2014 \$
GS Davis	Payments to an entity of which the Director is a partner in respect of legal fees		30,683	63,785
RM Kennedy and GS Davis	Payments to a Director related entity for exploration and joint logistics.	(i)	14,159	108
GM Ferris	Payments to a Director related entity for administration services.	(ii)	185,176	202,777

(i) This amount relates to the exploration undertaken on behalf of Monax Mining Limited by Marmota Energy Limited for access and participation in projects in South Australia.

(ii) This amount relates to the provision of administration and logistical services by Groundhog Services Pty Ltd and Groundhog Services Partnership.

Amounts receivable from and payable to Directors and their Director related entities at reporting date arising from these transactions were as follows:

	CONSOLIDATED	
	2015 \$	2014 \$
Current receivables		
Loan to related party*	-	34,322
	-	34,322
Current payables		
Amounts payable to associates**	4,939	24,082
	4,939	24,082

*Loans to related parties represents amounts receivable from Marmota Energy Limited and Groundhog Services Pty Ltd, both associated companies.

** Amounts payable to associates represents amounts payable to DMAW Lawyers, Marmota Energy Limited and Groundhog Services Pty Ltd.

23 Related parties (continued)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2015. The totals of remuneration paid to key management personnel during the year are as follows:

	CONSOLIDATED	
	2015 \$	2014 \$
Short term employee benefits	479,697	479,939
Post employment benefits	37,190	35,329
Other long term benefits	-	-
Termination benefits	29,653	-
Share-based payments	-	-
	546,540	515,268

24 Operating segments

Segment information

Description of segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The entity has identified its operating segments to be Gawler Craton, Kangaroo Island and North Queensland based on different geological regions and the similarity of assets within those regions. This is the basis on which internal reports are provided to the Board of Directors for assessing performance and determining the allocation of resources within the entity.

The entity operates primarily in one business, namely the exploration of minerals.

Basis of accounting for purposes of reporting by operating segment

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

24 Operating segments (continued)

Details of the performance of each of these operating segments for the financial years ended 30 June 2015 and 30 June 2014 are set out below:

(i) Segment performance

	GAWLER CRATON		KANGAROO ISLAND		NORTH QUEENSLAND		TOTAL	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Segment revenue	148,392	92,008	-	-	-	-	148,392	92,008
Segment results								
Gross segment result before depreciation, amortisation and impairment	148,392	92,008	-	-	-	-	148,392	92,008
Depreciation and amortisation	-	-	-	-	-	-	-	-
Loss on disposal of tenement	-	(30,554)	-	-	-	-	-	(30,554)
Impairment	(5,633,826)	(6,282,805)	(876,373)	-	(23,296)	(7,334)	(6,533,495)	(6,290,139)
	(5,188,342)	(6,221,351)	(876,373)	-	(23,296)	(7,334)	(6,385,103)	(6,228,685)
Interest income	-	-	-	-	-	-	48,080	32,593
Other income	-	-	-	-	-	-	3,949	-
Gain on disposal of available for sale asset	-	-	-	-	-	-	(2,180)	-
Impairment of available for sale asset	-	-	-	-	-	-	(161,095)	-
Other expenses	-	-	-	-	-	-	(609,211)	(699,656)
Loss before tax	(5,485,434)	(6,221,351)	(876,373)	-	(23,296)	(7,334)	(7,105,560)	(6,895,748)
Income tax benefit/(expense)	-	-	-	-	-	-	(30,956)	(16,237)
Loss after tax	(5,485,434)	(6,221,351)	(876,373)	-	(23,296)	(7,334)	(7,136,516)	(6,911,985)

24 Operating segments (continued)

(ii) Segment assets

	GAWLER CRATON		KANGAROO ISLAND		NORTH QUEENSLAND		TOTAL	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Segment assets	180,697	5,369,038	-	424,819	-	2,305	180,697	5,796,162
Segment asset increases for the year:								
Capital expenditure	445,484	442,715	451,554	227,329	20,991	9,639	918,029	679,683
Sale of tenement	-	(330,554)	-	-	-	-	-	(330,554)
Impairment	(5,633,826)	(6,282,805)	(876,373)	-	(23,296)	(7,334)	(6,533,495)	(6,290,139)
	(5,188,342)	(6,170,644)	(424,819)	227,329	(2,305)	2,305	(5,615,466)	(5,941,011)
Reconciliation of segment assets to company assets								
Cash and cash equivalents	-	-	-	-	-	-	1,071,929	1,280,943
Trade and other receivables	-	-	-	-	-	-	55,361	353,212
Other current assets	-	-	-	-	-	-	13,276	18,161
Plant and equipment	-	-	-	-	-	-	46,383	82,369
Investment in associates	-	-	-	-	-	-	1	1
Available for sale financial assets	-	-	-	-	-	-	-	91,953
Deferred tax asset	-	-	-	-	-	-	-	27,585
Total assets	180,697	5,369,038	-	424,819	-	2,305	1,367,647	7,650,386

(iii) Segment liabilities

	GAWLER CRATON		KANGAROO ISLAND		NORTH QUEENSLAND		TOTAL	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Segment liabilities	24,819	59,313	234	87,096	156	-	25,209	146,409
Reconciliation of segment liabilities to company liabilities								
Trade and other payables	-	-	-	-	-	-	397,956	348,018
Short term provisions	-	-	-	-	-	-	83,756	86,953
Deferred tax liability	-	-	-	-	-	-	-	27,585
Long term provisions	-	-	-	-	-	-	26,665	42,402
Total liabilities	24,819	59,313	234	87,096	156	-	533,586	651,367

Notes to the Financial Statements

25 Events subsequent to reporting date

Other than the matters noted above, there has not arisen in the interval any matters or circumstances, since the end of the financial year which significantly affected or could affect the operations of the Company, the results of those operations, or the state of the Company in future years.

26 Reserves

Share options reserve - recording items recognised as expenses on valuation of employee share options and share rights, and the revaluation of associate entity fair value.

Available for sale reserves – comprises gains and losses relating to these types of financial instruments.

	CONSOLIDATED	
	2015 \$	2014 \$
Share option reserve		
Opening balance at beginning of year	780,280	780,280
Fair value of options issued under the employee share option plan	4,800	-
Balance at end of year	785,080	780,280
Available for sale reserve		
Opening balance at beginning of year	(132,802)	-
Revaluation of available for sale asset	-	(132,802)
Sale of available for sale asset	132,802	-
Balance at end of year	-	(132,802)
Total reserves	785,080	647,478

27 Monax Mining Limited company information

	2015 \$	2014 \$
Parent entity		
Assets		
Current assets	915,703	1,584,389
Non-current assets	227,080	5,998,068
Total assets	1,142,783	7,582,457
Liabilities		
Current liabilities	282,376	560,892
Non-current liabilities	26,665	24,393
Total liabilities	309,041	585,285
Equity		
Issued capital	21,034,163	20,200,206
Retained losses	(20,985,501)	(13,850,512)
Available for sale reserve	-	(132,802)
Share-based payments reserve	785,080	780,280
Total equity	833,742	6,997,172
Financial performance		
Loss for the year	(7,134,989)	(6,913,646)
Other comprehensive income	132,802	(132,802)
Total comprehensive income	(7,002,187)	(7,046,448)
Guarantees in relation to the debts of subsidiaries	-	-
Contingent liabilities	-	-
Contractual commitments	15,045	58,710

28 Fair value measurement of assets and liabilities

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

All financial instruments were valued using level 1 valuation techniques. There were no changes in valuation techniques for financial instruments in the period. Available for sale financial assets are measured at fair value using the closing price on the reporting dates as listed on the Australian Securities Exchange limited (ASX). The carrying value of trade receivables and payables are assumed to approximate their fair values due to their short term nature. All assets subject to Fair Value measurement were sold during the year.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

29 Company details

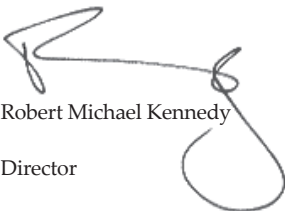
The registered office of the Company is:
139 Greenhill Road
UNLEY SA 5061

The principal place of business is:
Unit 2, 81 Harrison Road
DUDLEY PARK SA 5008

- 1 The Directors of Monax Mining Limited declare that:
- (a) the financial statements and notes, as set out on pages 32 to 63, are in accordance with the Corporations Act 2001, and:
- (i) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the entity; and
 - (ii) comply with Accounting Standards; and
 - (iii) Monax Mining Limited complies with International Financial Reporting Standards as described in Note 1.
- (b) The Chief Executive Officer and Chief Financial Officer have declared that:
- (i) The financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;
 - (ii) The financial statements and notes for the financial year comply with the accounting standards; and
 - (iii) The financial statement and notes for the financial year give a true and fair view;
- (c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Adelaide this 21st day of September 2015.



Robert Michael Kennedy
Director

Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2015



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONAX MINING LIMITED

Report on the financial report

We have audited the accompanying financial report of Monax Mining Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

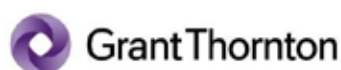
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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Independent Auditor's Report



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Monax Mining Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding continuation as going concern

Without qualification to the audit opinion expressed above, we draw attention to Note 1(v) to the financial report, which indicates that the consolidated entity incurred a net loss of \$7,136,516 during the year ended 30 June 2015. In addition, the Group incurred a net cash outflow of \$1,015,031 from operating and investing activities.

Independent Auditor's Report



These conditions, along with other matters as set forth in Note 1(v), indicate the existence of a material uncertainty, which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Monax Mining Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in blue ink, appearing to read "S K Edwards".

S K Edwards
Partner – Audit & Assurance

Adelaide, 21 September 2015

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The information is current at 22 September 2015.

Distribution of Equity Securities

Ordinary Share Capital

Fully paid ordinary shares are held by 1,734 individual shareholders.

Options

Options are held by 4 individual option holders.

Substantial shareholders

The number of shares held by substantial shareholders and their associates as disclosed in substantial holding notices given to the Company are set out below.

SUBSTANTIAL SHAREHOLDER	NUMBER OF FULLY PAID ORDINARY SHARES HELD
Antofagasta Investment Company Limited	38,496,270

Voting rights

Fully paid ordinary shares

Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

Distribution of equity security holders

CATEGORY	HOLDERS OF ORDINARY SHARES	HOLDERS 28/07/2016 \$0.051 OPTIONS	HOLDERS 23/07/2017 \$0.053 OPTIONS	HOLDERS 12/05/2020 \$0.026 OPTIONS
1 – 1,000	273	-	-	-
1,001 – 5,000	259	-	-	-
5,001 – 10,000	212	-	-	-
10,001 – 100,000	692	2	2	-
100,001 and over	298	1	1	4
Total Number of security holders	1,734	3	3	4

The number of shareholders holding less than a marketable parcel of ordinary shares is 1,334.

On market buy-back

There is no current on-market buy-back.

Shareholder Information

AS AT 22 SEPTEMBER 2015

Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Stock Exchange Limited including the number and percentage held by those holders at 22 September 2015 are as follows.

NAME	NUMBER OF FULLY PAID ORDINARY SHARES HELD	PERCENTAGE HELD %
Citicorp Nominees Pty Limited	40,111,590	17.04
Mr David Ian Kerr & Mrs Cheryl Dorothea Kerr <Edwinstowe Nom P/L Sup A/C>	8,571,125	3.64
Unique Asset Pty Ltd	7,684,502	3.26
Alexandra Resources Pty Ltd	4,933,333	2.10
Havilah Resources NL	4,916,667	2.09
Mr Meng Zhai	3,513,058	1.49
Triple Eight Gold Pty Ltd <The Blue Sky A/C>	3,489,810	1.48
Arco Four Investments Pty Ltd <The Ocraind Holdings Fam A/C>	3,034,375	1.29
N & B Horizons Pty Ltd <N&B New Horizons S/F A/C>	3,022,727	1.28
Colin Hough	3,000,153	1.27
Mr Rodolfo Antonio Messina Gomez <Rodolfo A M Gomez S/F A/C>	2,813,104	1.19
RMK Super Pty Ltd <RMK Personal S/F A/C>	2,760,191	1.17
Aloren (No 148) Pty Ltd	2,702,728	1.15
Mr Neil Henry Scriven and Ms Robyn Julie McDonald	2,227,689	0.95
Mr Nigel David Lock	2,150,000	0.91
Aurelius Resources Pty Ltd <Nelson Super Fund A/C>	2,145,659	0.91
Mrs Shirley Anne Ferris	1,920,100	0.82
N & R Smart Pty Ltd <Smart Family Super Fund A/C>	1,815,000	0.77
Mr Grant Julian Maddock	1,705,938	0.72
Lawrence Crowe Consulting Pty Ltd <L C C Super Fund A/C>	1,700,000	0.72
	104,217,749	44.26

Unquoted equity securities

Options

Details of options on issue which are unquoted are as follows.

EXPIRY DATE	EXERCISE PRICE	NUMBER OF OPTIONS	NUMBER UNQUOTED	NUMBER OF HOLDERS
28/07/2016	\$0.051	225,000	225,000	3
23/07/2017	\$0.053	325,000	325,000	3
12/05/2020	\$0.026	1,200,000	1,200,000	4

Monax Mining Limited

South Australia

PROJECT	TENEMENT	NO.	STATUS	AREA (km ²)	DETAILS	TENURE HOLDER
PUNT HILL	Punt Hill	EL 4642	Granted	887		Monax Mining
	Yeltacowie	EL 4548	Granted	391		Monax Mining
	Yeltacowie	ELA2015/00093	Subsequent Licence Application	391		Monax Mining
YORKE PENINSULA	Melton	EL 5122	Granted	28	JV with Marmota Energy	Marmosa Pty Ltd
	North Melton	EL 5209	Granted	137	JV with Marmota Energy	Marmota Energy
KANGAROO ISLAND	Parndana	EL 4581	Granted	47		Monax Mining
	Parndana	ELA2015/00135	Subsequent Licence Application	17		
PHAR LAP	Phar Lap	EL 5123	Granted	283	JV with Iluka Resources	Monax Mining
WESTERN GAWLER CRATON	Nullarbor	EL 5077	Granted	388	JV with Western Areas	Monax Mining
	North Yalata	EL 5199	Granted	754	JV with Western Areas	Monax Mining
	East Yalata	EL 5200	Granted	904	JV with Western Areas	Monax Mining
	Shoulder Hill	ELA2014/00194	Application	145		Monax Mining
BOWILIA HILL	Bowilia Hill	EL 5669	Granted	106		Monax Mining
KIMBERLITE PROJECT	Margaret Dam	EL 5347	Granted	299		Monax Alliance P/L
	Curdimurka	ELA 2015/00103	Application	787		Monax Mining
	Dorothy Dam	ELA 2015/00104	Application	924		Monax Mining
	Boorthanna	ELA 2015/00105	Application	839		Monax Mining

Queensland

PROJECT	TENEMENT	NO.	STATUS	AREA (Sub Blocks)	DETAILS	TENURE HOLDER
CLONCURRY	Llewellyn Downs	EPM 25671	Granted	12		Monax Mining
	Malbon	EPM 25743	Application	27		Monax Mining
	Charley Creek	EPM 25750	Application	2		Monax Mining

Monax Alliance Pty Ltd

PROJECT	TENEMENT	NO.	STATUS	AREA (km ²)	DETAILS	TENURE HOLDER
MUSGRAVE	Kulitjara	ELA 2013/00168	Application	1122		Monax Alliance P/L
	Anmuryinna	ELA 2013/00169	Application	1039		Monax Alliance P/L
	Poole Hill	ELA 2013/00170	Application	1235		Monax Alliance P/L

Tenement Status

PRINCIPAL REGISTERED OFFICE

Monax Mining Limited
139 Greenhill Road UNLEY SA 5061

Telephone: (08) 8373 5912
Email: info@monaxmining.com.au
Website: www.monaxmining.com.au

EXPLORATION OFFICE

Unit 2, 81 Harrison Road
DUDLEY PARK SA 5008

Telephone: (08) 8245 4900
Facsimile: (08) 8245 4999

POSTAL ADDRESS

Unit 2, 81 Harrison Road
DUDLEY PARK SA 5008

DIRECTORS AND SENIOR MANAGEMENT

Robert Michael Kennedy
ASAIT, Grad. Dip. (Systems Analysis)
FCA, AGIA, FAIM, FAICD
Non-executive Chairman

Gary Michael Ferris
BSc (Hons), MSc, AusIMM
Managing Director

Glenn Stuart Davis
LLB, BEc, FAICD
Non-executive Director

Virginia Katherine Suttell
BComm, ACA, GradDip ACG, GAICD
Company Secretary

STOCK EXCHANGE CODE

Shares: MOX
Listed on Australian Stock Exchange Limited
Home Exchange: Sydney
Exchange Centre
20 Bridge Street
Sydney NSW 2000

SHARE REGISTRAR

Location of Share Register
Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000

Telephone: 1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)

Facsimile: +61 8 8236 2305

Email: info@computershare.com.au

AUDITORS

Grant Thornton
Chartered Accountants
67 Greenhill Road
Wayville SA 5034

LAWYERS

DMAW Lawyers
Level 3, 80 King William Street
Adelaide SA 5000

Notes



MONAX
MINING LIMITED

Notice of Annual General Meeting 2015

Notice is hereby given that the Annual General Meeting of Monax Mining Limited (**Company**) will be held at Level 6, 80 King William Street, Adelaide South Australia on 17 November 2015 at 11.00 am (Adelaide time).

AGENDA

ORDINARY BUSINESS

1. Financial Report

To receive and consider the financial report and the reports of the Directors and Auditor for the year ended 30 June 2015.

The Annual Financial Report is available at the website of the Company (www.monaxmining.com.au), under "Investors", "Corporate Reports", "Annual Reports".

2. Adoption of Remuneration Report

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

'That the Remuneration Report for the financial year ended 30 June 2015 be adopted.'

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Voting exclusion statement

In accordance with the Corporations Act, a vote must not be cast on this resolution in any capacity (and will be taken not to have been cast if cast contrary to this restriction) by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report, and any closely related party of such a member. However, such a member or any closely related party of such a member may cast a vote as a proxy if the vote is not cast on behalf of a person described above and either:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the resolution;
- the person is the Chair of the Meeting at which the resolution is voted on and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

3. Re-election of Mr RM Kennedy as a Director

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

‘That Mr RM Kennedy, being a Director of the Company who retires by rotation in accordance with clause 47.1 of the Company’s constitution, and being eligible, is re-elected as a Director of the Company.’

OTHER BUSINESS

4. Ratification of previous issue of shares

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 21,385,924 fully paid ordinary shares in the Company, on the terms described in the explanatory memorandum accompanying the notice convening this meeting, be approved.’

Voting exclusion statement

The Company will disregard any votes cast in relation to Resolution 4 by Antofagasta Minerals SA and their associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on a valid proxy form to vote as the proxy decides.

5. Approval to issue 14,000,000 shares as consideration under a contract

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of 14,000,000 fully paid ordinary shares in the Company as consideration for entering into an option agreement over mining leases, on the terms described in the explanatory memorandum accompanying the notice convening this meeting, be approved.’

Voting exclusion statement

The Company will disregard any votes cast in relation to Resolution 5 by Glen Teece, NT Gold Pty Ltd, Wladimir Falko and CR & E Pty Ltd and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associate of any of those persons if the resolution is passed. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Approval of issue of new shares

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of up to a maximum of 50,000,000 new shares at a price not lower than eighty per cent (80%) of the volume weighted average market price of the Shares over the last five (5) days on which sales were recorded before the day on which the issue is made, on the terms described in the explanatory memorandum accompanying the notice convening this meeting, be approved.;

Voting exclusion statement

The Company will disregard any votes cast in relation to Resolution 6 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associate of any of those persons if the resolution is passed. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Approval to issue an additional 10% of issued ordinary securities over a 12 month period

To consider, and if thought fit, pass the following resolution as a special resolution:

'That for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval be given to issue equity securities (as defined in the ASX Listing Rules) equivalent to an additional 10% of the number of ordinary securities on issue calculated in accordance with the formula in listing rule 7.1A.2 and on terms described in the explanatory memorandum'.

Voting exclusion statement

The Company will disregard any votes cast on this resolution by a person (and any associates of such a person) who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Directors recommend shareholders vote in favour of resolution 7. The chairman intends to vote undirected proxies in favour of resolution 7.

8. Reinstatement of Proportional Takeover Approval provisions in the Constitution

To consider, and if thought fit, pass the following resolution as a special resolution:

‘That for the purposes of section 648G of the *Corporations Act 2001* and pursuant to section 136(2) of the *Corporations Act 2001*, with effect from the closure of this meeting, the Constitution of the Company be amended by inserting the proportional takeover approval provisions set out in Annexure A to the notice convening this meeting.’

The provisions of the proportional takeover approval are summarised in the explanatory memorandum accompanying the notice convening this meeting.

9. To transact any further business that may be lawfully brought forward

Further information regarding the business to be transacted at the Annual General Meeting is set out in the explanatory memorandum accompanying the notice convening this meeting. This notice should be read in conjunction with the accompanying explanatory memorandum which forms part of this notice.

By order of the Board

Virginia Suttell
Company Secretary

Date: 9 October 2015

VOTING INFORMATION AND NOTES

1. Voting exclusions

Resolution 2 – Adoption of Remuneration Report

The *Corporations Act 2001(Cth)* (**Corporations Act**) prohibits Directors and other key management personnel (**KMP**) of the Company and their closely related parties voting in any capacity (including as a shareholder, proxy or personal representative) on resolution 2. The prohibition does not apply if the person has been appointed as a proxy by writing that specifies how the proxy is to vote on resolution 2, provided that the person who appointed the proxy is not themselves a person subject to the prohibition.

Accordingly, the Company will disregard any votes cast on resolution 2 (in any capacity) by or on behalf of Directors and other KMP of the Company and their closely related parties, unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction in the proxy form.

In addition, the Chairman of the meeting can vote undirected proxies on resolution 2 where the shareholder provides the Chairman with express authorisation to do so, even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

Therefore, when completing the proxy form, if you appoint the Chairman of the meeting as your proxy, or if the Chairman of the meeting is appointed as your proxy by default, then unless you mark one of the voting instruction boxes for resolution 2, you will be taken to have given your express authority to the Chairman to cast any undirected proxy votes on resolution 2.

2. Voting entitlement on a poll

On a poll, each shareholder present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

3. Proxies

A shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on the shareholder's behalf. If the shareholder is entitled to cast two or more votes at the meeting, the shareholder may appoint up to two proxies to attend and vote on the shareholder's behalf.

If a shareholder appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the shareholder's votes. Absent this specification, each proxy will need to exercise half the votes.

A proxy need not be a shareholder of the Company.

To appoint a proxy, a proxy form must be signed by the shareholder or the shareholder's attorney duly authorised in writing. If the shareholder is a corporation, the proxy form must be signed in accordance with section 127 of the Corporations Act. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the commencement of the meeting. Proxy forms and authorities may be sent to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001, or in person to Computershare at Level 5, 115 Grenfell Street, Adelaide SA 5000, or by facsimile to

Computershare on (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555 or the Company on +61 8 8245 4999.

Shareholders who forward their proxy forms by fax must make available the original executed form of the proxy for production at the meeting, if called upon to do so.

Undirected proxies

If shareholders appoint the person chairing the meeting as their proxy and do not specify how the Chairman is to vote on a resolution, except as directed, the Chairman advises that he intends to vote each such proxy, as proxy for those shareholders, in favour of each resolution on a poll. Therefore, the Company recommends that shareholders who submit proxies should consider giving "how to vote" directions to their proxy holder (including the Chairman) on each resolution. Please read the directions on the proxy form carefully, especially if you intend to appoint the Chairman of the meeting as your proxy.

If shareholders complete a proxy form that authorises the person chairing the meeting to vote on their behalf as proxy holder, and do not mark any of the boxes so as to give the Chairman directions about how their vote should be cast, then the Chairman may vote as they choose. If shareholders wish to appoint the person chairing the meeting as their proxy holder but do not want to put the Chairman in the position to cast their vote as they choose in relation to a resolution, shareholders should complete the appropriate box on the proxy form, directing the Chairman to vote for, against or abstain from voting on that resolution.

If the chairperson is appointed as a proxy, they are not permitted to vote undirected proxies on various matters, including some remuneration matters and related party matters unless express authority to do so is given by the appointing shareholder.

4. Custodian voting

For Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions.

5. Entitlement to vote at the meeting

For the purpose of the meeting, shares in the Company will be taken to be held by those persons who are registered holders at 11.00 am (Adelaide time) on Sunday, 15 November 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

6. Quorum

The Constitution of the Company provides that 10 shareholders present in person, by proxy, attorney or body corporate representative shall be a quorum for the general meeting of the Company.

7. Appointing a corporate representative

Corporate representatives are requested to bring appropriate evidence of appointments as a representative. Proof of identity will be required for corporate representatives.

8. Appointment of an attorney

Attorneys are requested to bring a power of attorney pursuant to which they are appointed. Proof of identity will also be required for attorneys.

Explanatory Memorandum

Accompanying the Notice of Annual General Meeting to be held on 17 November 2015.

1. Financial Report

The Financial Report and the reports of the Directors and Auditor will be laid before the meeting in accordance with section 317 of the *Corporations Act 2001 (Cth)* (**Corporations Act**).

Shareholders will be given a reasonable opportunity to ask questions or make comments about the management of the Company and may also ask a representative of the Company's auditor questions relevant to the conduct of the audit and the accounting policies adopted by the Company.

2. Remuneration Report

The Company has included in the 2015 Annual Report a detailed Remuneration Report which provides prescribed information relating to remuneration.

As required by the Corporations Act, the Remuneration Report is submitted for adoption by a non-binding vote.

The Remuneration Report is set out on pages 24 to 30 of the 2015 Annual Report and is available from the Company's website www.monaxmining.com.au.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the meeting.

The Directors recommend shareholders vote in favour of the non-binding ordinary resolution.

3. Re-election of Mr RM Kennedy as a Director

Mr Kennedy retires under the compulsory retirement provisions of clause 47 of the Company's constitution and, being eligible, has offered himself for re-election as a director.

Mr Robert Michael Kennedy ASAIT, Grad. Dip (Systems Analysis), FCA, AGIA, Life member AIM, FAICD

Independent Non-executive Chairman

Experience and expertise

Mr Kennedy, a Chartered Accountant has been an independent Non-executive chairman of Monax Mining Limited since August 2004.

Mr Kennedy brings to the Board his expertise and extensive experience as chairman and non-executive director of a range of listed public companies in the resources sector.

Apart from his attendance at Board and Committee meetings, Mr Kennedy leads the development of strategies for the development and future growth of the Company. Mr Kennedy also leads the Board's external engagement of the Company, meeting with Government, investors and is engaged with the media. He is a regular attendee of Audit Committee functions of the major accounting firms. He conducts the review of the Board including the Managing Director in his executive role.

Other current directorships

Mr Kennedy is a director of ASX listed companies Ramelius Resources Limited (since listing in March 2003), Flinders Mines Limited (since 2001), Maximus Resources Limited (since 2004), and Tychean Resources Limited (since 2006).

Responsibilities

His special responsibilities include membership of the Audit, Governance and Remuneration Committee.

The Directors (with Mr Kennedy abstaining) recommend shareholders vote in favour of the resolution.

4. Ratification of issue of shares

ASX Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

The issue of the shares detailed in Resolution 4 did not exceed the 15% limit referred to above.

ASX Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby refreshing the Company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 4 proposes the ratification and approval of the allotment and issue of shares for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

In accordance with ASX Listing Rule 7.5, the following information is provided to shareholders:

- 21,385,924 ordinary fully paid shares were issued on 31 August 2015 without shareholder approval;
- the shares were issued as consideration for return of 100% of the Punt Hill tenement to Monax; The shares were not issued for cash consideration. The closing market price at the time of issue was \$0.007 per share.
- the shares were issued pursuant to a Farm-in and option agreement between the Company and Antofagasta Minerals SA; The agreement enabled Monax to reacquire 100% interest of the Punt Hill tenement for the issue of ordinary shares in Monax equal to 9.99% of the issued capital.
- the shares rank equally in all respects with the Company's existing ordinary shares on issue; and
- no funds were raised as a result of the issue.

5. Approval to issue 14,000,000 shares as consideration under a contract

The Company proposes to issue 14,000,000 ordinary shares as consideration under an option agreement as detailed in the table below:

Details	Agreement	Agreement	Agreement	Agreement
Vendor	Glen Teece	NT Gold Pty Ltd	Wladimir Falko	CR & E Pty Ltd
Consideration Total	2,571,429 ordinary shares	4,428,571 ordinary shares	4,428,571 ordinary shares	2,571,429 ordinary shares
Shares to be issued	2,571,429	4,428,571	4,428,571	2,571,429
Date of issue	Within 5 business days of the date of this meeting and in any event no later than 3 months after the date of this meeting			
Issue price	\$0.007	\$0.007	\$0.007	\$0.007
Purpose of issue	Settlement of option agreements over mining leases			
Mining leases	MLN894 MLN893	ML30232	ML30232	ML29978

Monax has agreed to settle the acquisition of an option agreement to explore mining leases in the Northern Territory by the issue of 14,000,000 shares.

Completion under the option agreements is conditional upon the approval of the issue and allotment of 14,000,000 shares to the vendors by the Company's shareholders at the AGM.

The Shares, the subject of this Resolution 5 will be issued to the vendors within five business days of the approval of this resolution and in any event no later than 3 months after the date of this meeting.

The securities will rank equally in all respects with all other Shares on issue as at the date of their issue.

No funds will be raised by the issue of the 14,000,000 shares to the vendors.

The Directors recommend that Shareholders vote in favour of the issue of 14,000,000 shares as consideration under a contract.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the issue of 14,000,000 shares as consideration under a contract.

6. Approval of issue of new shares

Under resolution 6, the Company is seeking approval to issue up to 50,000,000 new Shares within three months of the date of this meeting (Placement Shares). The company currently has 235,459,239 fully paid ordinary shares on issue. Subject to the full issuance under resolution 5; the Placement Shares would represent 17.5% of the fully paid ordinary shares on issue immediately after the issuance.

The new capital raised will be used for working capital, exploration and project development, which is anticipated to partly include advancing the Northern Territory Gold Project.

It is noted that if approval is granted by shareholders, it does not necessarily mean the Company will issue the shares. It provides the Company with the flexibility to issue the Placement Shares as outlined below. The Company may issue the Placement Shares in multiple tranches up to a maximum of 50,000,000 shares within three months after the date of this meeting.

ASX Listing Rule 7.1 provides that subject to certain exceptions (which do not apply in the present circumstances) a listed company may not issue equity securities (as defined in the ASX Listing Rules) more than 15% of the company's fully paid ordinary shares in any 12 months without obtaining shareholder approval. However, issues made with the prior approval of the shareholders in a general meeting are not subject to this restriction and will not be counted as part of the 15% limit.

Accordingly, if Shareholders approve the proposed issue of the Placement Shares:

- (a) The Company will be permitted to issue the Placement Shares; and
- (b) The Placement Shares will not be counted towards the Company's 15% limit in respect of issue of equity securities in the following 12 month period.

Under ASX Listing Rule 7.3.2, shares approved for issue pursuant to ASX Listing Rule 7.1 must be issued within three months of the date of the approval.

The information required by ASX Listing Rule 7.3 in relation to the issue of the Placement Shares is set out below:

- (a) The maximum number of Placement Shares that will be issued under the Resolution 6 is 50,000,000, which upon issuance would represent 17.5% of the total shares on issue as at the date of this notice of annual general meeting.
- (b) The issue of the Placement Shares may occur progressively and it is intended that the Placement Shares will be issued no later than three months after the date of this meeting.
- (c) The Company will issue the Placement Shares at a price that is not less than 80% of the volume weighted average market price for Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue of the Placement Shares is made.
- (d) It is intended that the Placement Shares will be issued to investors who are not related parties of the Company. The identity of the investors has not yet been determined but all are expected to be professional and/or sophisticated investors. The identity of the investors will be at the discretion of the Company or in consultation with any broker the Company may engage to assist in the placing of the Shares or both and who are not related parties;
- (e) The Placement Shares will rank equally with, and on the same terms as, the Company's then issued Shares; and
- (f) The Placement Shares will be issued to raise the funds for working capital, exploration and project development, which is anticipated to partly include advancing the Northern Territory Gold project.

7. Approval to issue an additional 10% of issued ordinary securities over a 12 month period.

Listing rule 7.1A permits eligible entities that have obtained shareholder approval by special resolution at an annual general meeting ("AGM") to issue an additional 10% of the entity's issued ordinary securities (calculated using the formula set out below). The ability to issue securities under listing rule 7.1A is in addition to the Company's ability to issue 15% of its fully paid ordinary securities without security holder approval in a 12 month period, under listing rule 7.1.

A listed entity must satisfy both of the following criteria at the time of its AGM in order to be eligible to seek approval under listing rule 7.1A:

- It must have a market capitalisation of \$300 million or less; and
- It must not be included in the S&P/ASX 300 Index.

At the date of the Notice, the Company satisfied both of those criteria.

The number of equity securities that the Company may issue with approval under listing rule 7.1A.2 is calculated using the following formula:

$$(A \times D) - E$$

A = The number of fully paid ordinary shares on issue 12 months before the issue date or date of agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of shareholders under rule 7.1 or 7.4;
- less the number of fully paid ordinary securities cancelled in the 12 months.

$$D = 10\%$$

E = The number of equity securities issued or agreed to be issued under rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of shareholders under rule 7.1 or 7.4.

A resolution under listing rule 7.1A can only be proposed as a special resolution at an eligible entity's AGM. A special resolution is a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Securities issued with approval under listing rule 7.1A must belong to a class of equity securities already quoted. Listing rule 7.1A cannot be used for placements of securities in a class that have not yet been quoted.

The Directors recommend shareholders vote in favour of resolution 7. The chairman intends to vote undirected proxies in favour of resolution 7.

Information required by listing rule 7.3A

Listing rule 7.3A prescribes the information that must be included in the Notice in relation to a resolution under listing rule 7.1A. This information is as follows:

1. The issue price of securities issued under listing rule 7.1A must be no lower than 75% of the volume weighted average market price for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were conducted immediately before either:
 - 1.1 the date on which the price at which the securities are to be issued is agreed; or
 - 1.2 if the securities are not issued within 5 trading days of the date in paragraph 1.1 above, the date on which the securities are issued.
2. If resolution 7 is approved by shareholders and the Company issues additional equity securities there is a risk of economic and voting dilution of the existing shareholders including the risk that:
 - 2.1 the market price for the Company's ordinary securities may be significantly lower on the issue date than on the date of the approval under listing rule 7.1A; and
 - 2.2 the ordinary securities may be issued at a price that is at a discount to the market price for those ordinary securities on the issue date.

The table below provides details of the quoted and unquoted classes of equity securities the Company has on issue at the date of the Notice.

Equity Security	Number on issue
Quoted fully paid ordinary shares	235,459,239
Unquoted 5.1 cent options expiring 28 July 2016	225,000
Unquoted 5.3 cent options expiring 23 July 2017	325,000
Unquoted 2.6 cent options expiring 12 May 2020	1,200,000

The following table illustrates the potential dilution of existing shareholders on the basis of the number of ordinary securities for variable 'A' as at the date of this notice ("current variable A") and where variable "A" is 1.5 times and twice the current variable A:

	Current variable "A"	50% increase in current variable "A"	100% increase in current variable "A"
	235,459,239	353,188,858	470,918,478
10 % voting dilution	23,545,924	35,318,886	47,091,848
Total shares on issue following rule 7.1A placements	259,005,163	388,507,744	518,010,326

Assumptions relevant to the table describing the potential dilution of existing shareholders:

- (i) An additional 10% of the Company's ordinary shares are issued under rule 7.1A;
- (ii) No options are exercised before the date of the issue under rule 7.1A;
- (iii) The issue under rule 7.1A consists only of shares.

The following table illustrates the funds raised from the issue of an additional 10% of ordinary securities under rule 7.1A, based on:

- The current variable "A" and where variable "A" has increased by 50% and 100%; and
- The share price as at the date of this notice and where the share price has fallen by 50% and increased by 100%.

Rule 7.1A placement details	\$0.0035 (50% decrease in share price)	\$0.007 (share price as at the date of this notice)	\$0.014 (100% increase in share price)
23,545,924 (10% voting dilution based on current variable "A")	\$82,411	\$164,821	\$329,643
35,318,886 (10% voting dilution based on a 50% increase in current variable "A")	\$123,616	\$247,232	\$494,464
47,091,848 (10 % voting dilution based on a 100% increase in current variable "A")	\$164,821	\$329,643	\$659,286

3. The Company will only issue equity securities during the 12 month period after the date of the AGM on 17 November 2015. The approval under resolution 7 for the issue of equity securities will cease to be valid in the event that shareholders approve a transaction under listing rule 11.1.2 (a significant change to the nature or scale of activities) or listing rule 11.2 (the disposal of the Company's main undertaking).
4. The Company may issue the equity securities for the following purposes:
 - 4.1 non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
 - 4.2 cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisitions or investments), continued exploration and development expenditure on the Company's current assets and/or general working capital.
5. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issues. The identity of the allottees of equity securities will be determined on a case-by-case basis and in regard to factors including but not limited to the following:
 - 7.1 the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - 7.2 the effect of the issue of the equity securities on the control of the Company;
 - 7.3 the financial situation and solvency of the Company; and
 - 7.4 advice from corporate, financial and broking advisors (if applicable).

The allottees pursuant to this resolution have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company acquires new assets, it is likely that the allottees pursuant to this resolution will be the vendors of the new assets. If this resolution is approved by shareholders, the Company may issue equity securities during the 12 month period after the date of the AGM as and when the circumstances of the Company require.
6. The Company has not previously obtained shareholder approval under listing rule 7.1A.
7. A voting exclusion statement is included in the Notice. At the date of the Notice the proposed allottees of the securities are not known and identified. Therefore no existing shareholder's votes will be excluded under the voting exclusion in this Notice.

8. Reinstatement of Proportional Takeover Approval provisions in the Constitution

Introduction

The Directors consider that it is in the best interests of the shareholders of the Company for the Company constitution to contain provisions dealing with proportional takeovers.

Section 648D of the Corporations Act 2001 enables the Company to include in its constitution a clause to provide the Company with the ability to refuse to register shares acquired under a proportional takeover bid, unless a resolution is passed by the shareholders of the Company in a general meeting that approves the takeover bid.

A proportional takeover bid is an off-market takeover offer that is sent by the bidder to all shareholders of the Company, offering to acquire a portion of each shareholder's shares in the Company.

When it was adopted, the constitution of the Company contained proportional takeover provisions (at clause 44). By operation of section 648G(1)(a) of the Corporations Act 2001, these provisions expired three years from the date the constitution came into effect. Under section 648G(3) the proportional takeover provisions were deemed to be omitted from the constitution. The proportional takeover provisions were inserted following approval at the Company's 2012 Annual General Meeting, which adoption ceases to apply in November 2015.

Clause 44 proportional takeover provisions

The proportional takeover provisions proposed to be inserted back into the Company's constitution at clause 44 are attached to this explanatory memorandum as Annexure A.

Effect of proportional takeover provisions

Having proportional takeover provisions in the Company's constitution ensures that if a proportional takeover bid is made, it will need to be put to a shareholders vote. The shareholders of the Company would need to consider a resolution whether to accept or reject the takeover bid. The resolution can only be approved by shareholders if it is passed by a simple majority of votes.

If the resolution fails, the takeover bid will be treated as withdrawn by the bidder and no transfer of shares would be registered.

The provisions of the Corporations Act 2001 that are applicable to a general meeting of the Company are applicable to any meeting of shareholders convened to consider a resolution in relation to a proportional takeover bid, subject to whatever modifications the Directors consider necessary.

Reasons for proposing this resolution

Without proportional takeover provisions in the Company's constitution, there is a significant risk that control of the Company could change hands without the shareholders of the Company having the opportunity to dispose of all of their shares.

By including the proportional takeover provisions, shareholders of the Company will be able to decide whether a proportional takeover bid is acceptable to them.

Substantial Interest

As at the date of this explanatory memorandum, none of the Directors are aware of any proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

Advantages and disadvantages of the proportional takeover provisions for Directors

The Directors do not consider the proportional takeover provisions to be reinserted as clause 44 to have any potential advantages or disadvantages for the Directors of the Company. Inclusion of the proportional takeover provisions has no bearing on the ability of the Directors to recommend to shareholders whether a proportional takeover bid should be accepted or not.

Advantages for shareholders

By reinserting the proportional takeover provisions into the Company's constitution (at clause 44), shareholders will have the right to decide by majority vote whether to accept or reject a proportional takeover bid.

These provisions will also provide shareholders with bargaining power and may assist in ensuring that any proportional takeover bid is structured to be attractive to shareholders.

Disadvantages for shareholders

By inserting this clause 44 back into the Company's constitution, potential bidders for the shares of the Company may be discouraged.

There is also a potential risk that shareholders may not be able to sell their shares at a premium.

Advantages and disadvantages of the proportional takeover provisions for the period during which the proportional takeover provisions have been in effect

For the period during which the proportional takeover provisions have been in effect, there have been no proportional (or full) takeover bids for the Company. In the circumstances, as there has been no takeover bid, it is not possible to comment on the advantages and disadvantages of the proportional takeover provisions while the provisions have been in operation. The Board does not consider that there have been any disadvantages arising from the inclusion of the proportional takeover provisions in the Company's Constitution.

Recommendation of directors

The Directors consider the benefits of the takeover provisions to the Company and to shareholders outweighs any potential disadvantages that may arise.

The Directors recommend that shareholders vote in favour of the resolution to insert the clause 44 proportional takeover provisions into the Company's constitution.

Definitions

Closely related parties of the Company's KMP include certain family members, dependants and companies they control.

Equity securities has the same meaning as in the Listing Rules.

Key management personnel (KMP) of the Company are, as adopted from the Australian Accounting Standards Board, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly (whether executive or otherwise) of the Company.

ANNEXURE A

44. Proportional takeovers

- 44.1 If offers are made under a proportional takeover bid for securities of the Company:
- 44.1.1 the registration of a transfer giving effect to a takeover contract for the bid is prohibited unless and until a resolution (an approving resolution) to approve the bid is passed in accordance with this clause;
 - 44.1.2 a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote on an approving resolution;
 - 44.1.3 the Directors may determine whether an approving resolution is voted on:
 - (a) at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution; or
 - (b) by means of a postal ballot conducted by the Company in accordance with the procedure set out in this clause;
 - 44.1.4 an approving resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- 44.2 The provisions that apply to a general meeting of the Company apply, with such modifications as the Directors decide are necessary, to a meeting convened under this clauses.
- 44.3 In a postal ballot:
- 44.3.1 the Company must send a notice of postal ballot and ballot paper, to all persons holding bid class securities, at least 14 days (or any shorter period the Directors decide) before the date specified for the close of the postal ballot (ballot closing date);
 - 44.3.2 non-receipt of a notice of postal ballot or ballot paper, or accidental failure to give a notice of postal ballot or ballot paper to a shareholder entitled to receive them, does not invalidate the postal ballot and any resolution passed under the postal ballot;
 - 44.3.3 the notice of postal ballot must contain the text of the proposed resolution and the ballot closing date, and may contain any other information the Directors consider appropriate;
 - 44.3.4 each ballot paper must specify the name of the shareholder entitled to vote;
 - 44.3.5 a postal ballot is only valid if the ballot paper is properly completed and:
 - (a) if the shareholder is an individual, signed by the individual or a duly authorised attorney; or
 - (b) if the shareholder is a corporation, executed by the corporation in any way permitted by its constitution or the Corporations Act 2001 or by a duly authorised officer or duly authorised attorney;
 - (c) a postal ballot is only valid if the Company receives the ballot paper (and any authority under which the ballot paper is signed or a certified copy of the authority) before the close of business on the ballot closing date at the registered office or share registry of the Company or any other place specified for that purpose in the notice of postal ballot;
 - (d) a person may revoke a postal ballot vote by notice received by the Company before the close of business on the ballot closing date.



MONAX
MINING LIMITED

ACN 110 336 733

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 11:00am (Adelaide time) Sunday 15 November 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Monax Mining Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Monax Mining Limited to be held at Level 6, 80 King William Street, Adelaide South Australia, Tuesday 17 November 2015 at 11.00am (Adelaide time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 2** (except where I/we have indicated a different voting intention below) even though **Item 2** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 2** by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr RM Kennedy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OTHER BUSINESS

4 Ratification of previous issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to issue 14,000,000 shares as consideration under a contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of new shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to issue an additional 10% of issued capital over a 12 month period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Reinstatement of Proportional Takeover Approval provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /
