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ASX RELEASE

Diamond Drilling on EM Target Commenced at Western Gawler Craton Project

HIGHLIGHTS

- **Diamond drilling has commenced on the potential bedrock conductive target within the Atomic Cafe area at the Western Gawler Craton Project**
- **Drilling should take 7-10 days to complete with results due in early 2016**
- **Following completion of the Share Purchase Plan, Monax must decide whether to co-fund future exploration based on a 10% interest or dilute to a 1% NSR**

Monax Mining Ltd ("Monax") (ASX: MOX) is pleased to announce that diamond drilling has commenced on the potential bedrock conductor within the Atomic Cafe area at the Western Gawler Craton (WGC) Project.

Western Areas Limited ("WSA") will diamond drill one hole to test the target which should take approximately 7-10 days to complete. Results from initial drilling in the area have been highly encouraging with the identification of hornblende pyroxenite/hornblendite intrusive rocks in drill hole WGA0046 (see ASX Releases 10 November 2015 & 8 December 2015).

WSA recently completed a moving in-loop electromagnetic survey along with a fixed loop electromagnetic survey over the area (see ASX Release 8 December 2015). Figures 2 and 3 summarise the results of the surveys.

The WGC Project is currently funded by WSA under a Farm-In Agreement. WSA have completed Stage 2 of the earn-in for the WGC Project by expending \$1.2 million on exploration activities meaning that Monax must decide whether to form an unincorporated joint venture and co-fund exploration pro-rata (based on a 10% interest) or dilute to a 1% NSR.

Share Purchase Plan

Monax would like to remind shareholders that the Share Purchase Plan ("SPP") is due to close on Friday, December 18 2015.

Shareholders are able to purchase a maximum of 1,500,000 shares at a price of 1 cent per share (\$15,000), or a minimum of 50,000 shares at a price of 1 cent per share (\$500) or intervals of 100,000 shares (\$1000), 200,000 shares (\$2,000), 500,000 shares (\$5,000) and 1,000,000 shares (\$10,000).

The SPP is a great opportunity for existing shareholders holding unmarketable parcels to increase their holdings without incurring transaction costs.

Summary

“Monax is excited that Western Areas have decided to drill the target this calendar year,” Monax Mining Managing Director, Gary Ferris, said today.

“The decision to drill this hole illustrates that the electromagnetic anomaly is a genuine target which warrants further testing,” Mr Ferris said.

“The presence of magmatic sulphides within mafic rocks in the area together with the target having a coincident gravity and magnetic anomaly is highly encouraging,” he added.

If you have any queries, please don't hesitate to contact:

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr G M Ferris, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ferris is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” Mr Ferris consents to the inclusion of the information in this report in the form and context in which it appears.

Forward Looking Statements

“The information in this report includes forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or any change in events, conditions or circumstances on which any such statement is based.”

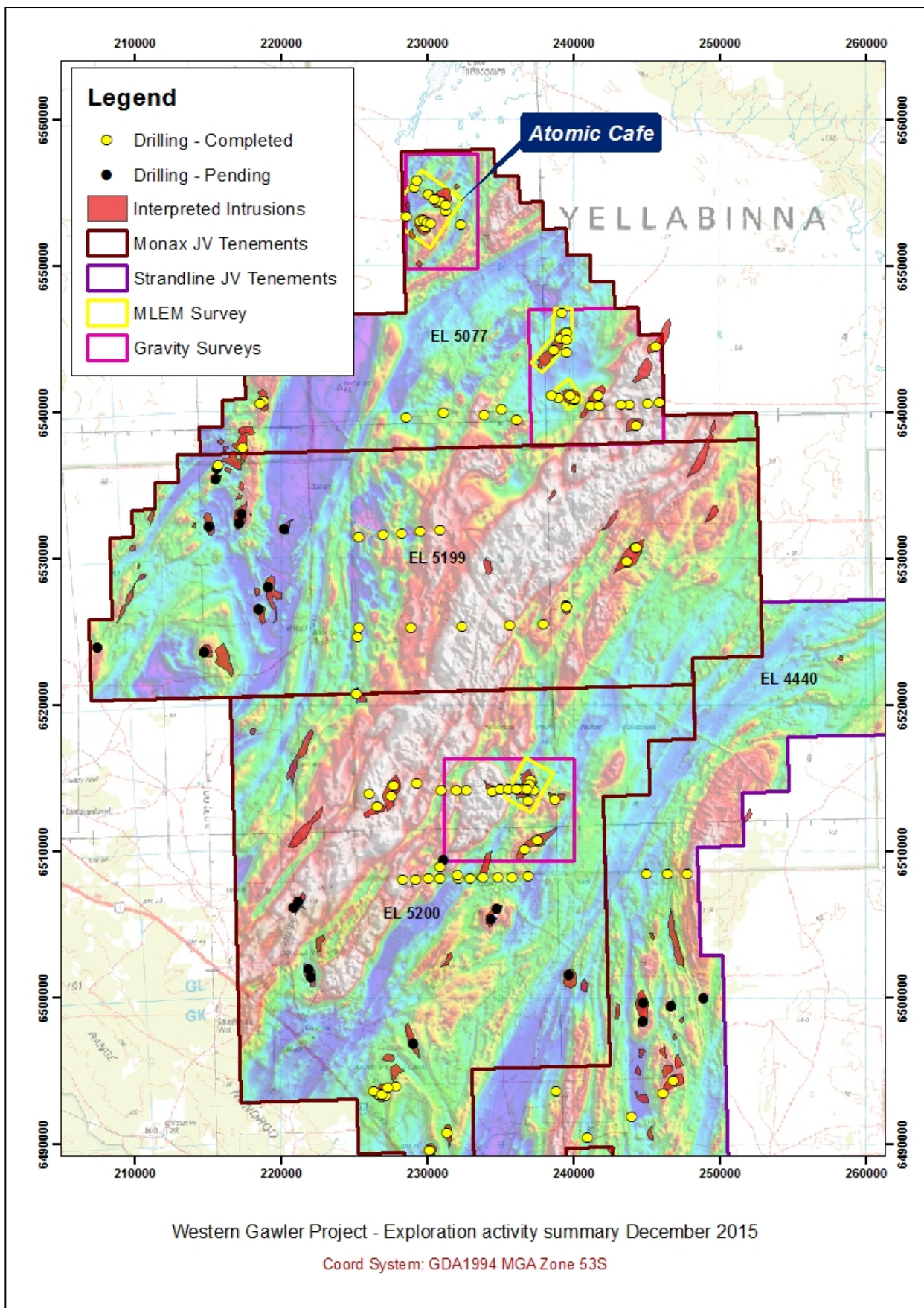


Figure 1. Magnetic imagery (Colour RTP) highlighting the current exploration status and the interpreted intrusions on the Western Gawler Craton Project (Note EL 4440 is not a Monax tenement). Yellow boxes show areas in which ground EM surveys have been undertaken.

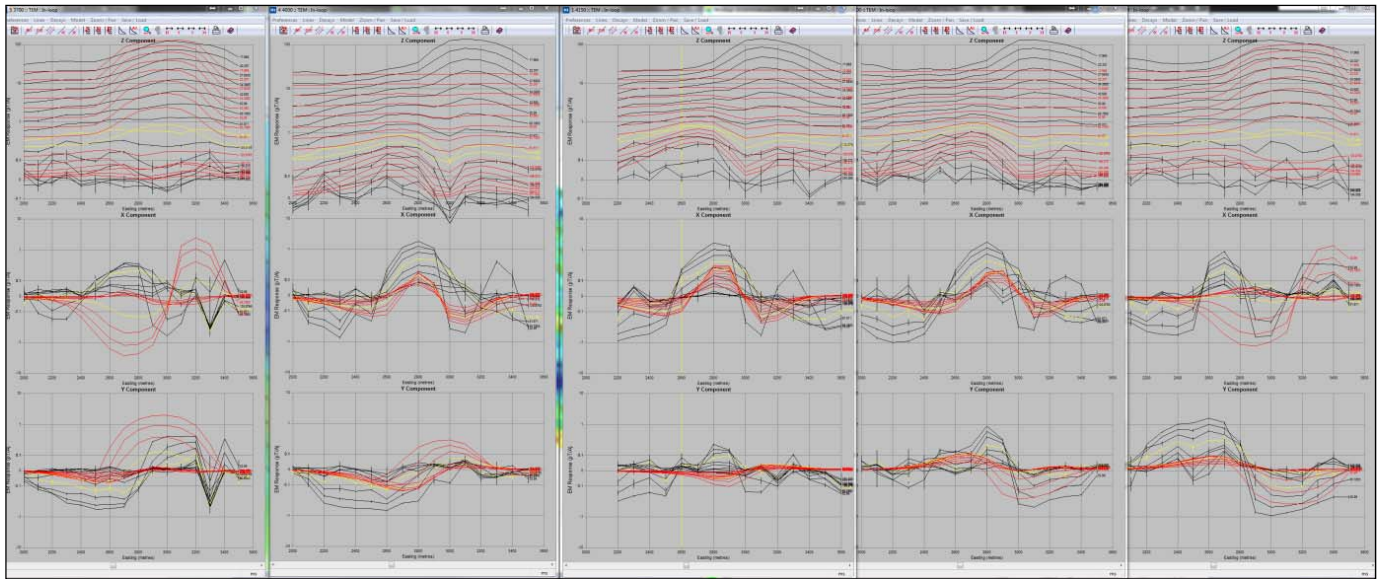


Figure 2: Profiles of the observed and modelled Atomic Cafe traverses for all 3 components, displaying a good fit to the data.

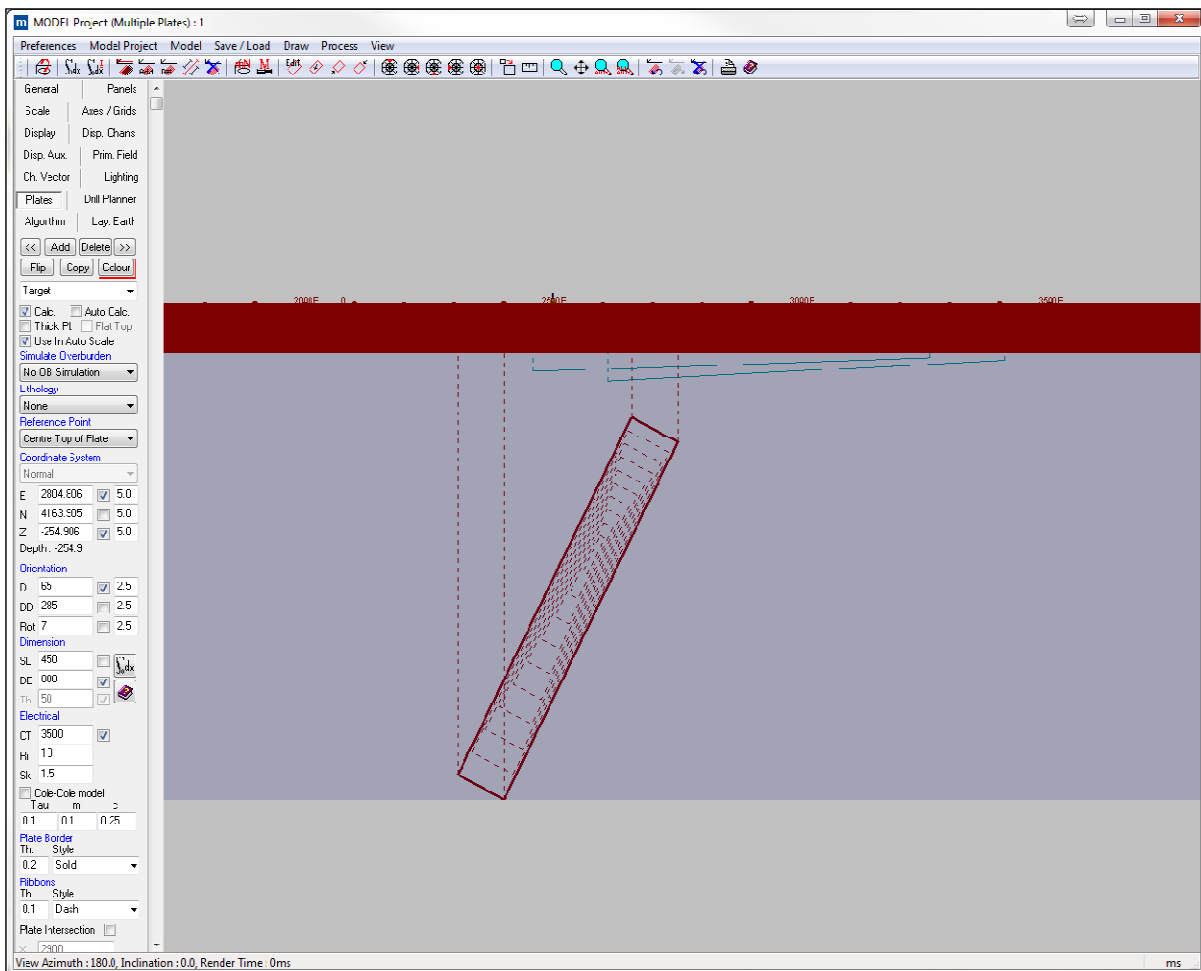


Figure 3: Snap shot of the modelled body, a steeply dipping plate. Significant depth extent is required so as to match the wavelength for the observed anomalies.