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## New High-Grade Lithium Project

### HIGHLIGHTS

- **Binding term-sheet signed for new NT-based Lithium project**
- **Surface samples from project area report lithium up to 7.55% Li<sub>2</sub>O**
- **Commencement of detailed sampling program within weeks**

Monax Mining Limited (**Monax or the Company**) is pleased to announce that it has signed a binding term-sheet with the owner of three Exploration Licences in the Litchfield area, Northern Territory. Laboratory assay results for samples collected within the project area report high-grade lithium up to **7.55% Li<sub>2</sub>O** and lepidolite-rich rocks up to 2.39 % Li<sub>2</sub>O (see Table 1 and Plates 1 and 2).

The Litchfield area is located approximately 110 kilometres south of Darwin and is characterised by moderately abundant occurrence of pegmatites.

### Preliminary Sampling Results

Prior to signing the binding term-sheet, Monax completed a brief Lithium-focussed sampling program. Two samples collected from an old surface scrape within the project area report lithium at 6.71% and 7.55% Li<sub>2</sub>O (see Plate 1). Satellite imagery shows a prominent area of “white rocks” approximately 300 metres from the sampling site which will be subject to an upcoming sampling program.

An earlier field trip in March 2016 reported lepidolite up to 2.39% Li<sub>2</sub>O from the Tank Hill area (see Plate 2). Two samples were also collected and assayed for gold, one of which recorded 3.91 g/t gold.

Site	Easting	Northing	Sample No	Li <sub>2</sub> O %	Au (ppm)
765	691825	8505988	140333	<b>2.39</b>	
765	691825	8505988	140334	<b>2.20</b>	
765	691825	8505988	140335	<b>2.13</b>	
765	691825	8505988	140336	<b>1.97</b>	
765	691825	8505988	140337	<b>2.15</b>	
844	695075	8508420	140339	0.01	
844	695075	8508420	140341	<b>6.71</b>	
845	695062	8508420	140342	<b>7.55</b>	
847	683681	8499158	140343	0.60	
849	692694	8502153	140344	0.11	
850	692527	8502679	140345		3.91
850	692527	8502679	140346	0.11	
851	692571	8502564	140347		0.17
852	693180	8502085	140348	0.06	

**Table 1:** Initial sampling results - Litchfield Project

## Transaction Overview

Under the terms of the agreement, Monax has the right to earn a 90% interest in Exploration Licences 29731, 28462 and 30521 by spending A\$1,500,000 on drilling activities within 24 months of the date of execution of transaction documentation.

At the completion of the farm-in period, the vendor can elect to do either of the following:

- sell a 10% interest to Monax for an agreed amount or, if no agreement is reached between the parties, for fair market value as determined by an independent expert; or
- sell a 10% interest to a third party but not before offering Monax the option to purchase the interest at a value equal to the highest offer by a third party; or
- enter into an unincorporated JV with Monax during which time the vendor will be free carried until a decision to mine (**DTM**).

Upon a DTM, the vendor has the option to co-fund expenditure based on a respective 10% interest or convert the interest to an ongoing net smelter royalty (**NSR**) of 2% for all mineral sales derived from the tenement.

For further information, please do not 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 engaged under a contract to provide services as Managing Director as required 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."*

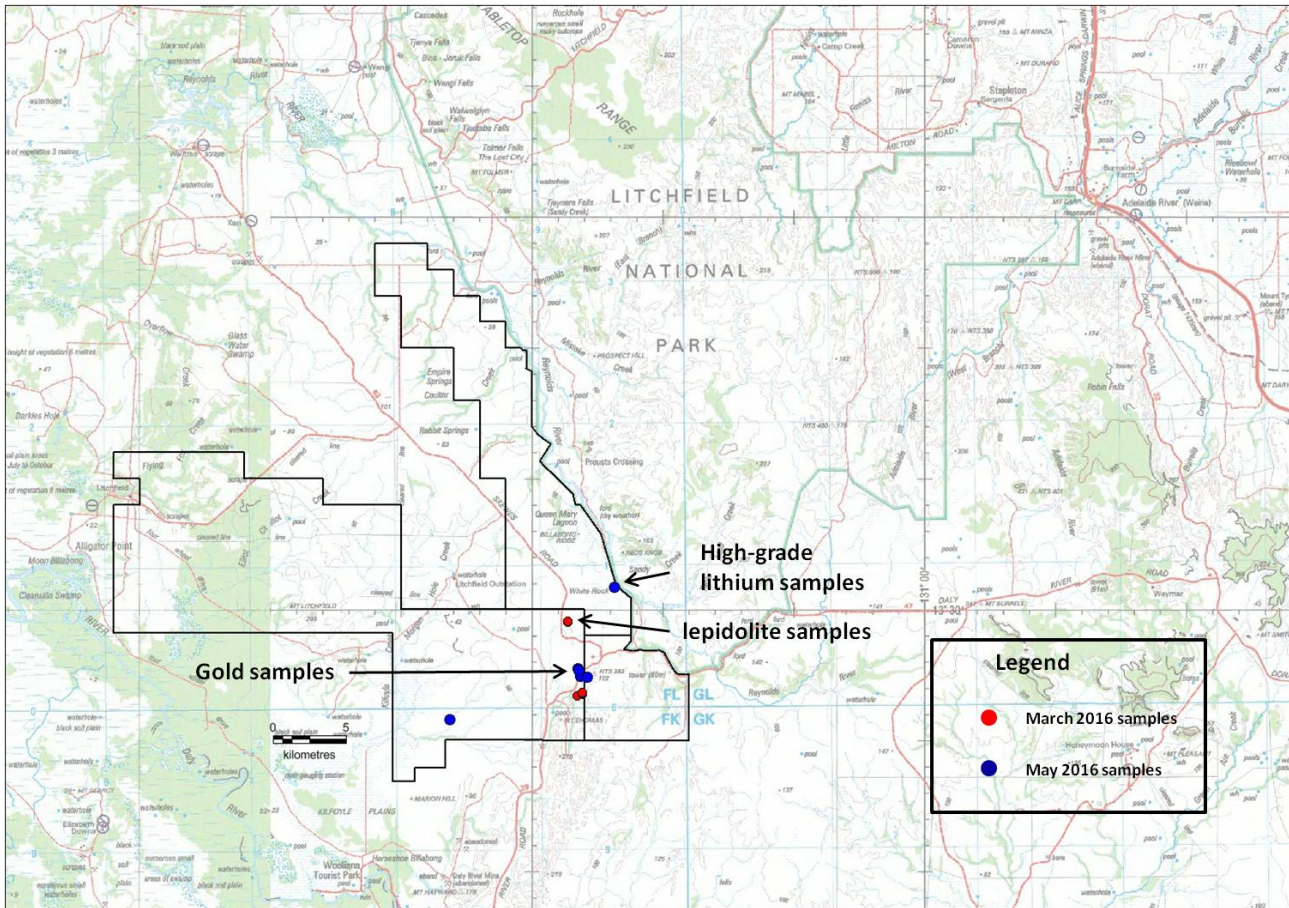


Figure 1: Location of Litchfield Project showing sampling locations

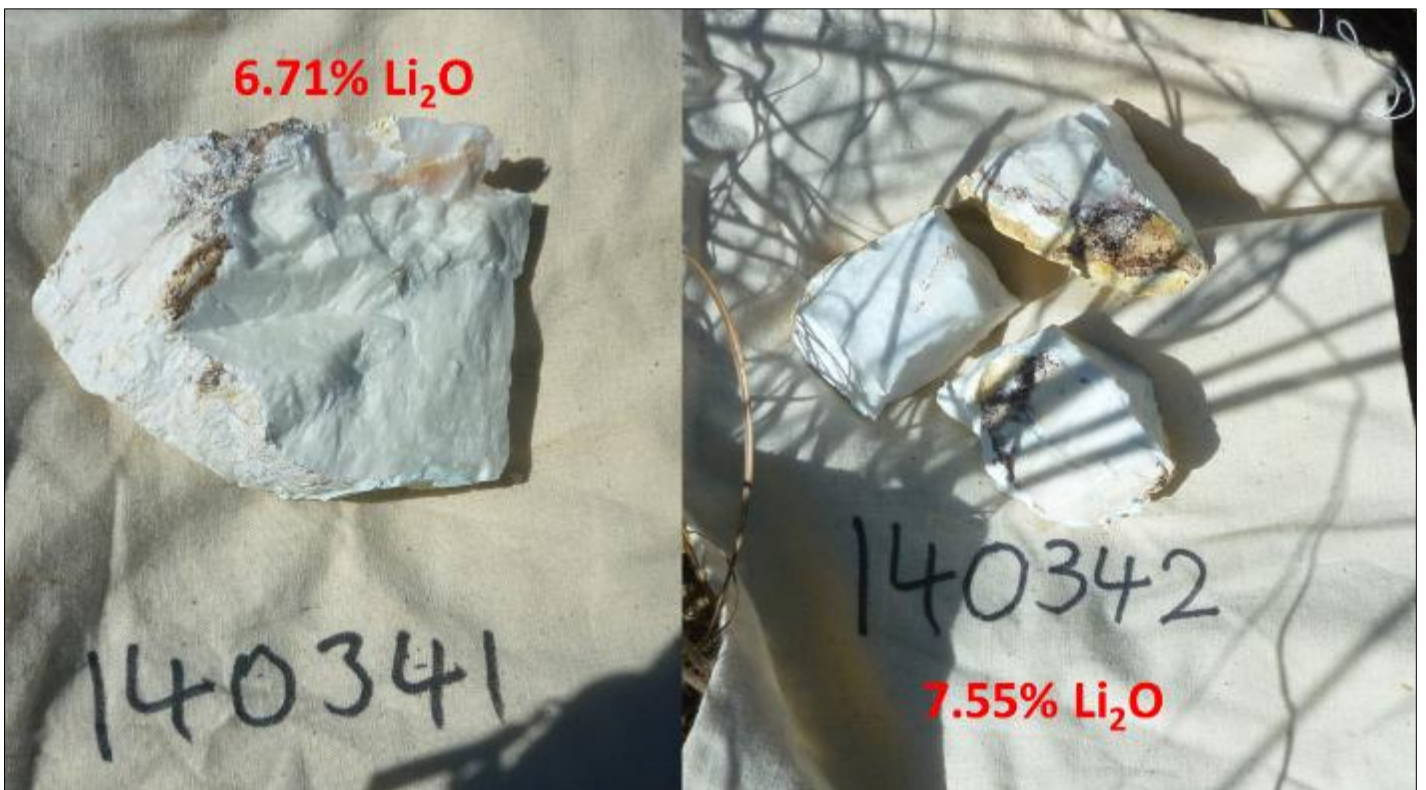


Plate 1: High-grade lithium samples from Litchfield Project.





Plate 2: Lepidolite samples from Litchfield Project.

# JORC Code, 2012 Edition – Table 1 report template

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were collected from surface exposures within Exploration Licences 30521, 29731 and 28462.</li> <li>The samples are not considered as being highly representative.</li> <li>There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no drilling results reported.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no drilling results reported.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no drilling results reported.</li> </ul>
<i>Sub-sampling techniques and sample</i>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and</li> </ul>	<ul style="list-style-type: none"> <li>No sample preparation was completed on sample collected in the field. Samples were crushed and pulverised at the laboratory for analysis</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>preparation</i>	<p><i>whether sampled wet or dry.</i></p> <ul style="list-style-type: none"> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>The sample size is considered appropriate for reconnaissance sampling for gold.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>Rock chips were assayed in a commercial laboratory using standard methods for lithium gold.</li> <li>Lithium was determined by peroxide fusion with final analysis by inductively coupled atomic emission spectroscopy (ICP-AES). Gold was determined by fire assay with a nominal 40g charge analysed. Au is determined with AAS finish.</li> <li>Laboratory QA/QC samples and sample duplicates were assayed by the laboratory with all results within expected error range. Samples were assayed at Bureau Veritas laboratory in Adelaide.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no drilling results reported.</li> <li>Lithium results have been adjusted – original results reported for Li only – these were converted to Li<sub>2</sub>O using standard industry formula (Li x 2.153).</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>Rock chip sample locations were collected using a hand held GPS (+/- 5m accuracy).</li> <li>MGA94 (Zone 52)</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>The data is not appropriate for use in estimating a Mineral Resource and is not intended for such use. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.</li> <li>No sample compositing was undertaken.</li> </ul>
<i>Orientation of data in relation</i>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering</i></li> </ul>	<ul style="list-style-type: none"> <li>The samples were collected at selected sites and it is unknown if this results is biased or unbiased.</li> </ul>



Criteria	JORC Code explanation	Commentary
<i>to geological structure</i>	<p><i>the deposit type.</i></p> <ul style="list-style-type: none"> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	
<i>Sample security</i>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Unknown.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews have been completed.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>The areas sampled are located on Exploration Licences 30521, 29731 and 28462 held by May Drilling Pty Ltd.</li> <li>The tenements are free of any known impediments.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>A review of historical company exploration found no exploration focussed on lithium.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>Pegmatite hosted lithium and quartz vein gold</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no drilling results reported.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used</i></li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no drilling results reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no drilling results reported.</li> </ul>
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Map showing tenement location is included in Release and results are presented in Table format within the Release.</li> </ul>
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Results for samples are included in release.</li> </ul>
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Other data not considered material</li> </ul>
<p><i>Further work</i></p>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Monax is planning to undertake detailed sampling within the area followed by drilling.</li> </ul>