



**MONAX
MINING LIMITED**

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29 July 2016

Monax Mining Limited

Quarterly Report

For the quarter ended 30 June 2016

HIGHLIGHTS

- ***Mt Ringwood Gold Project***
 - Maiden drilling program completed at Mt Ringwood
 - Gold up to 8.6 g/t over 1 metre reported from Great Northern area
 - Field mapping and sampling completed in March 2016 with results received after end of the quarter - high grade gold up to 143 g/t recorded at previously underexplored areas
- ***Croydon Gold Project***
 - First Croydon tenement granted
 - Reconnaissance rock chip sampling report high grade gold up to 87.8 g/t at Vanderbilt prospect
 - Samples record gold up to 21.2 g/t from Lost Chance prospect

Corporate

In the three months to 30 June 2016, Monax Mining Limited ("Monax") (ASX:MOX) completed its maiden drilling program at the Mt Ringwood Gold Project in the Northern Territory. Monax also signed an option to purchase an agreement for a lithium project in northern Queensland.

During the Quarter, Monax commenced an Entitlements Issue to raise approximately \$1.52 million on the basis of one New Share for every two ordinary fully paid shares held in the Company, at an issue price of \$0.010 per share.

Monax was also advised by the Australian Taxation Office (ATO) that its application to participate in the Exploration Development Incentive Scheme (EDI) was accepted and Monax distributed EDI credits in respect of \$918,030 of estimated greenfields mineral expenditure for the previous income year to shareholders under the EDI.

At the Company tax rate of 30%, this translates to \$275,409 EDI credits that are available for distribution to eligible shareholders on a pro rata basis. Based on the 303,610,625 shares on issue at the time, this equates to \$0.000907 (0.0907 cents) per share.

As at 30 June 2016, Monax has a cash balance of \$0.15 million. Subsequent to the end of the Quarter, Monax completed the Entitlement Issue and associated shortfall placement which raised in excess of \$1.5 million. During the quarter, \$116,000 was spent on exploration.

Exploration

As at 30 June 2016, Monax had five project interests:

- **Mt Ringwood Gold Project**
- **Croydon Gold Project**
- **Bullock Creek Project**
- **Punt Hill (copper-gold)**
- **Phar Lap (copper-gold)**

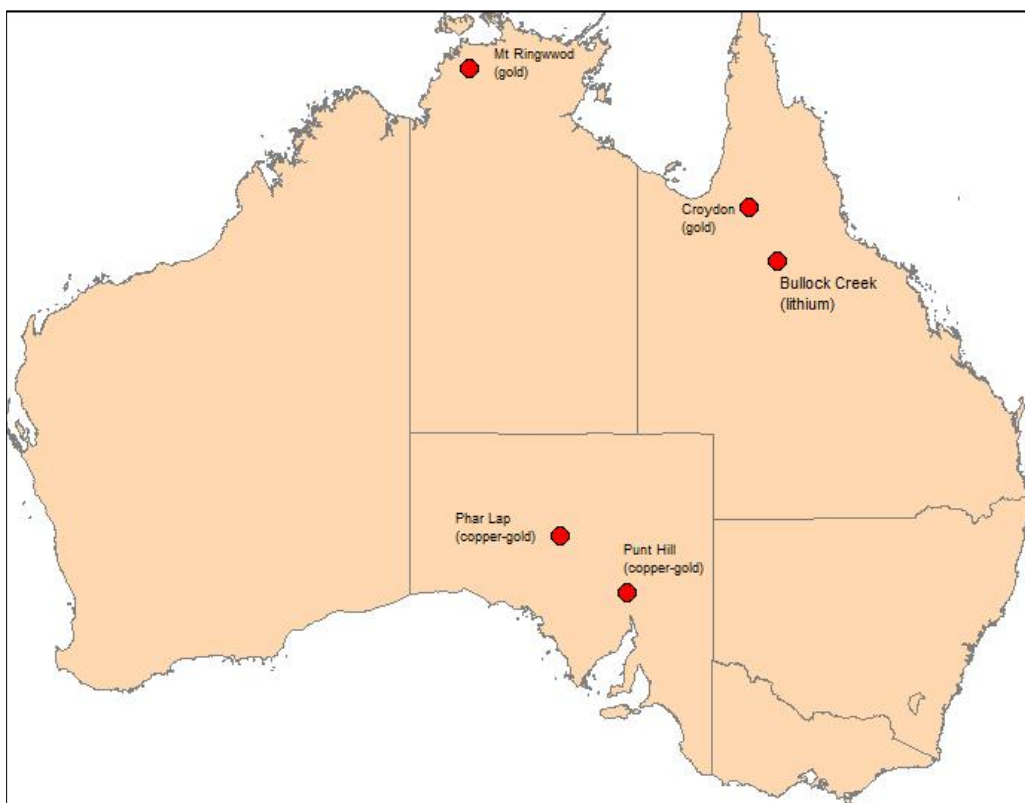


Figure 1: Location of Monax's projects as of 30 June 2016

Mt Ringwood Gold Project

The Mt Ringwood project area is located approximately 120km south of Darwin (see Figure 1) within the Pine Creek area, which is renowned for hosting shallow, high grade gold mineralisation. Mining in the area has taken place more or less continuously since the 'gold rush' in the area during the 1870's.

During the quarter, Monax received laboratory results for 15 rock-chip samples collected at previously underexplored areas south of the Goodall Mine and on the western side of the project area (see ASX Release 22 April 2016 for full details).

Impressive results were recorded from the area south of the abandoned Goodall gold mine, which included samples reporting 143 g/t (see Plate 1) and 53 g/t gold. A total of 8 samples reported >1 g/t gold (see Table 1). The results highlight new areas requiring follow-up work including drilling. Plate 1 shows sample 295522 which reported 143 g/t gold.



Plate 1:

Sample 295522 which assayed 143 g/t gold.

Monax completed the maiden drilling program in June, with nine drill holes totalling 564 metres. Six holes were completed at the Great Northern area, two holes at the Great Western prospect and one hole at the Star of the North area. Best results came from the Great Northern area with gold up to 8.6 g/t reported over 1 metre whilst anomalous gold (>0.5 g/t) was reported from most drill-holes.

The six holes at the Great Northern area all intersected narrow zones of quartz hosted within greywackes and siltstones with all holes ending in dolerite. The best interval of 8.6 g/t gold from hole MRRC1602, came from just above the quartz-dolerite contact. Monax is planning to undertake an induced polarisation (IP) survey to assist in defining zones of sulphide along this contact zone.

No samples were submitted for drill-hole MRRC1609 at the Star of the North area. Whilst levelling the drill pad, a quartz vein was uncovered, however drilling failed to intersect this vein as the drill pad was not setup to test this theory. Monax collected 10 rock chip samples (samples 140349 – 140358) from this vein and all samples were anomalous with gold up to 7.3 g/t reported. Two samples (28940 & 28970) of altered rock from the drill pad were also assayed.

Table 1:

Results for samples from March 2016 field trip.

Site	Prospect	Sample	Easting	Northing	Au (ppm)
514	Great Northern	295513	762712	8538718	3.81
730	Goodall	295514	753788	8539808	0.6
731	Goodall	295515	753793	8539809	0.51
732	Goodall	295516	753793	8539813	1.7
732	Goodall	295517	753793	8539813	0.84
743	Goodall	295519	757055	8535911	6.8
744	Goodall	295520	757063	8535905	1.97
745	Goodall	295521	757064	8535898	4.36
746	Goodall	295522	757063	8535893	143
748	Goodall	295523	757060	8535878	53
748	Goodall	295524	757060	8535878	10
752	South of C8	295525	757072	8536007	0.91
756	South of C8	295526	757076	8536292	0.16
756	South of C8	295527	757076	8536292	0.23
756	South of C8	295528	757076	8536292	0.17

Table 2:

Drill-hole intervals >0.5 g/t gold

Hole_ID	Sample_ID	From (m)	To (m)	Sample	Au (ppm)	Au ppm (rpt)
MRRC1601	296006	5	6	296006	0.57	-
MRRC1601	296016	15	16	296016	0.55	-
MRRC1602	296093	14	15	296093	2.96	3.17
MRRC1602	296094	15	16	296094	1.72	1.58
MRRC1602	296129	50	51	296129	8.6	6.5

MRRRC1603	296177	20	21	296177	4.25	5.7
MRRRC1603	296186	29	30	296186	0.67	-
MRRRC1604	296254	37	38	296254	0.53	-
MRRRC1604	296257	40	41	296257	0.64	-
MRRRC1604	296258	41	42	296258	0.75	-
MRRRC1604	296269	52	53	296269	1.2	1.29
MRRRC1604	296270	53	54	296270	1.34	1.41
MRRRC1604	296271	54	55	296271	0.82	-
MRRRC1604	296272	55	56	296272	0.82	0.85
MRRRC1605	296330	47	48	296330	0.82	-
MRRRC1606	296366	22	23	296366	0.67	-
MRRRC1606	296373	29	30	296373	0.92	-
MRRRC1606	296374	30	31	296374	1.63	1.44
MRRRC1608	296488	7	8	296488	0.92	1.03
MRRRC1608	296490	9	10	296490	0.6	-
MRRRC1608	296491	10	11	296491	0.78	-

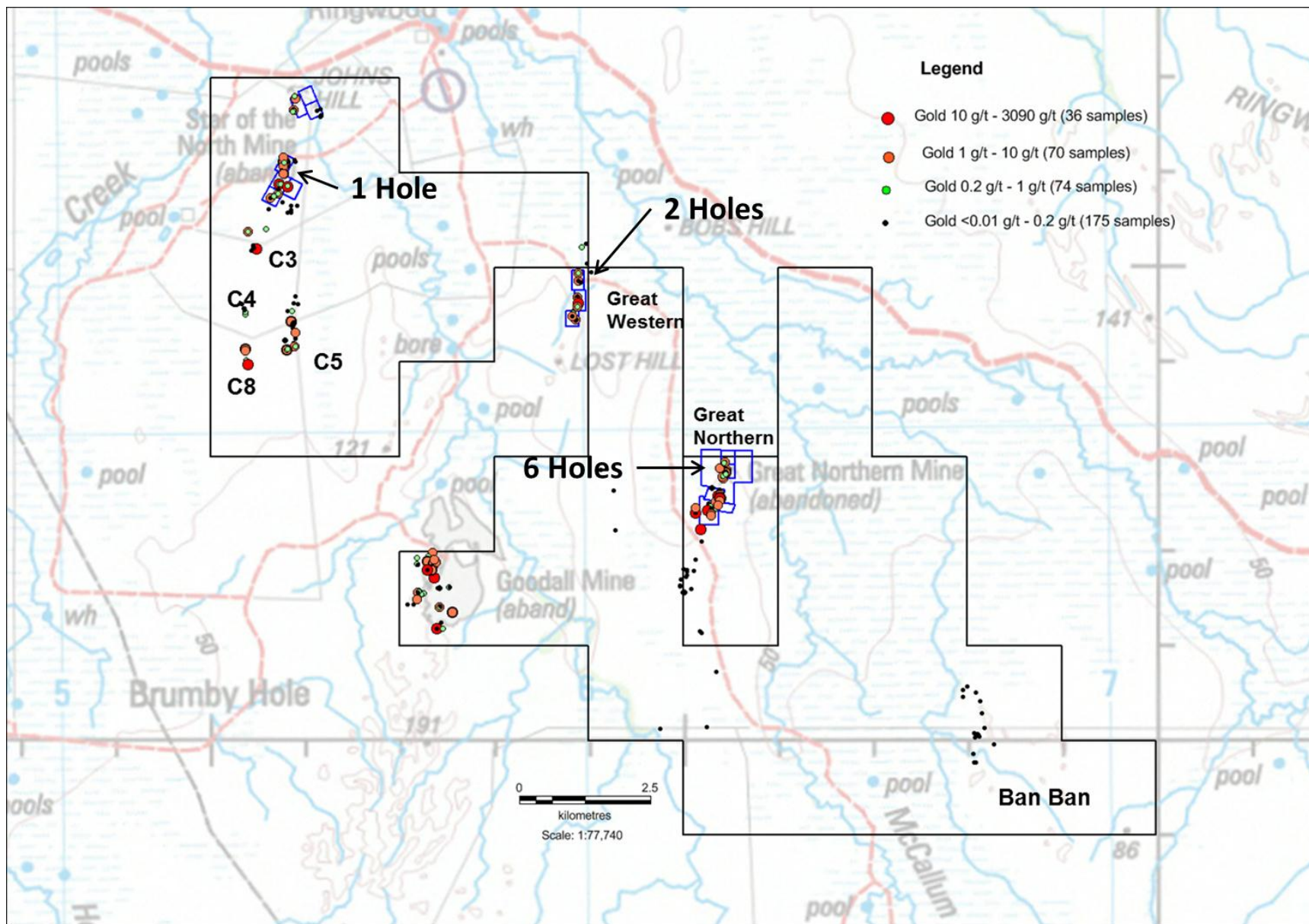


Figure 2: General location of Monax drill holes – Mt Ringwood Project

Croydon Gold Project

Monax's tenements are located approximately 20km north-east of Croydon, in the north-west of Queensland (see Figure 3), covering the quartz reefs in the Vanderbilt and Gilded Rose areas.

Significant mesothermal gold deposits are located within the Croydon Goldfields with historic production of ~60,000 kg Au bullion in the area.

Reconnaissance sampling by Monax in the Vanderbilt area (see Figure 3) provided highly encouraging results, with gold samples ranging from 0.43 g/t to 87.8 g/t recorded. The old workings at the Vanderbilt area are scattered over approximately 300 metres with several other prospects located along strike to the south-west. These prospects were not covered in this program but will be sampled during upcoming site visits. An extensive search of historical exploration data indicates an absence of any drill holes at these prospects.

The Lost Chance prospect provided strong sampling results with gold up to 21.2 g/t recorded. A brief inspection was also undertaken at the Gilded Rose and Jumbo prospects located on EPM Application 26203, but no samples collected. These prospects contain highly anomalous sampling results with good drilling results previously reported (see ASX Release 9 June 2016 Investor Presentation for more details).

In total, Monax collected 17 samples from the Croydon area with results presented in Table 4 and selected samples shown in Plate 2. The Company intends to complete a more extensive sampling program at Croydon in the coming weeks, with a view to undertake drilling in late 2016.

Table 4. Initial sampling results - Croydon Gold Project.

Site	Prospect	Easting	Northing	Sample No	Au (ppm)	Au (ppm) Rpt
886	Vanderbilt	644114	8008551	134911	87.8	81.9
887	Vanderbilt	644092	8008550	134912	0.43	
888	Vanderbilt	644109	8008555	134913	0.98	
889	Vanderbilt	644160	8008570	134914	0.92	
889	Vanderbilt	644160	8008570	134915	1.51	
889	Vanderbilt	644160	8008570	134916	1.14	
889	Vanderbilt	644160	8008570	134917	1.17	
890	Lost Chance	653510	7993350	134918	0.13	
890	Lost Chance	653519	7993354	134919	0.08	
891	Lost Chance	653519	7993354	134920	0.13	
891	Lost Chance	653519	7993354	134921	1.22	
891	Lost Chance	653519	7993354	134922	0.64	0.59
892	Lost Chance	653536	7993342	134923	3.63	2.7
892	Lost Chance	653536	7993342	134924	0.06	0.06
893	Lost Chance	653637	7993232	134925	0.15	
893	Lost Chance	653637	7993232	134926	0.06	
893	Lost Chance	653637	7993232	134927	21.21	21.47

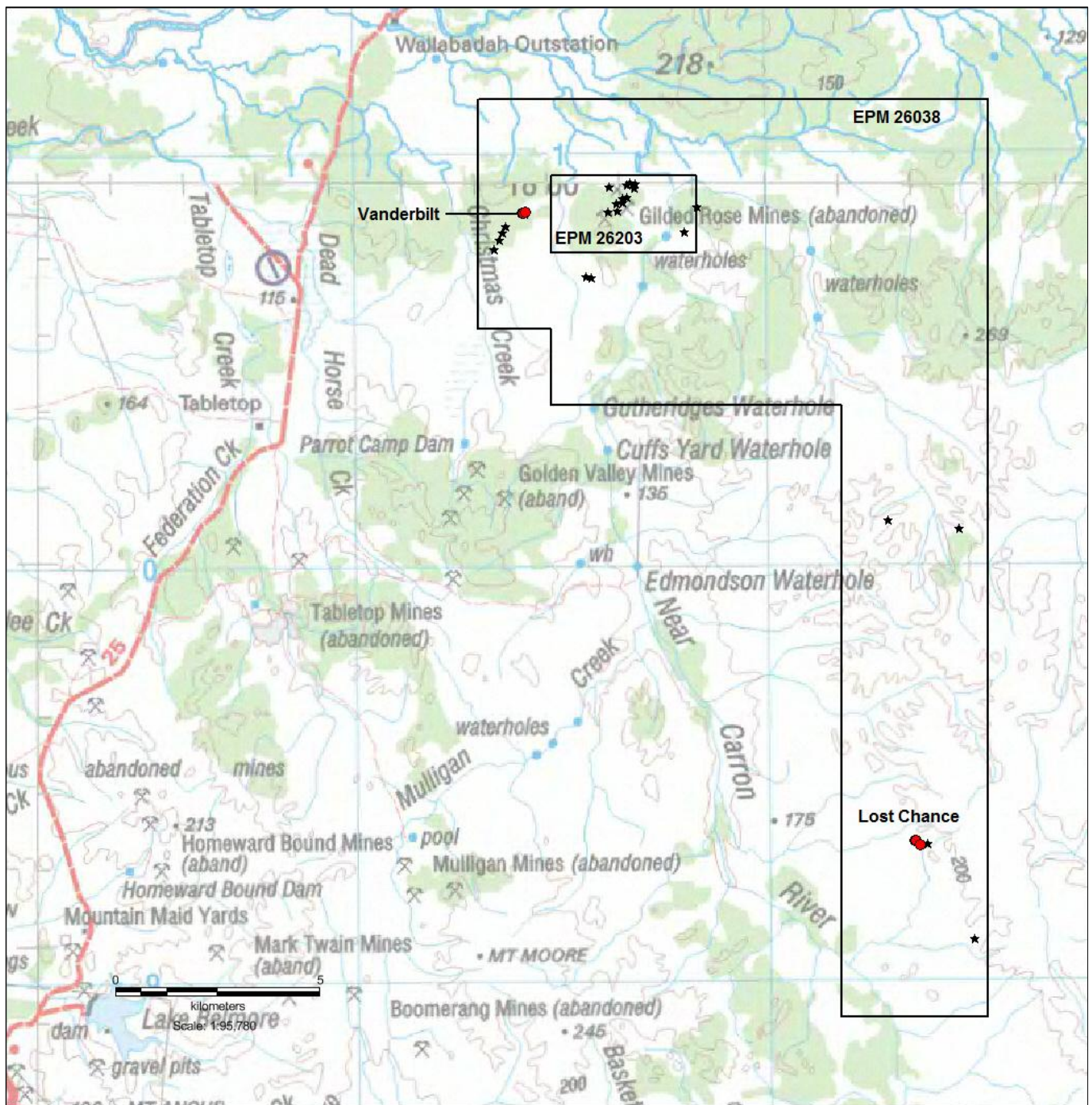


Figure 3. Location of sample sites – Croydon Gold Project. Black stars gold prospects from QLD Mines Department website/database. Red dots = Monax rock chip samples.

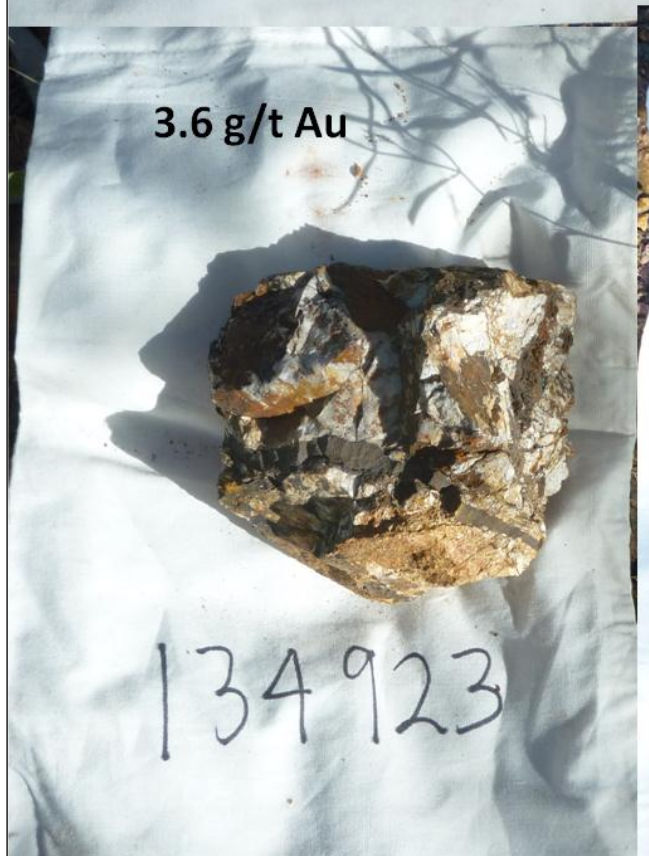
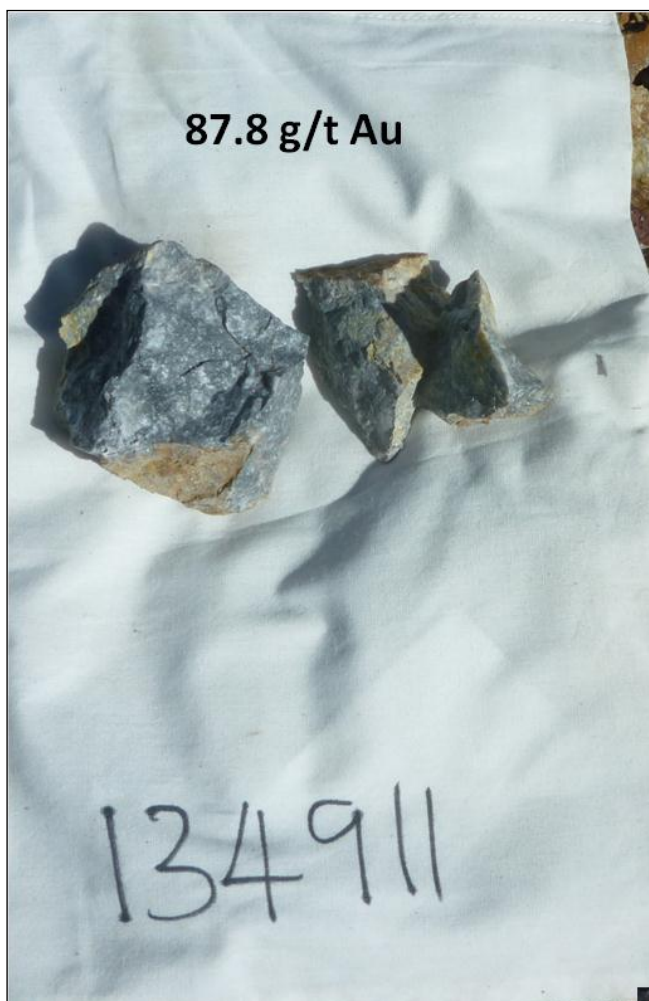


Plate 2. Selected samples from Croydon project.

Bullock Creek Project – lithium

During the Quarter, Monax signed a binding term sheet with the owner of EPM 26053 which contains a reported occurrence of lithium bearing lepidolite pegmatite in northern Queensland (see Figure 1). Laboratory assay results of a lepidolite-rich sample taken from the tenement reported 3.55% Li_2O (see Plate 3). Monax undertook a brief reconnaissance sampling program and collected 10 samples of various rock types from one part of the project area with insignificant results recorded. Monax will undertake a more detailed site inspection in the coming weeks.

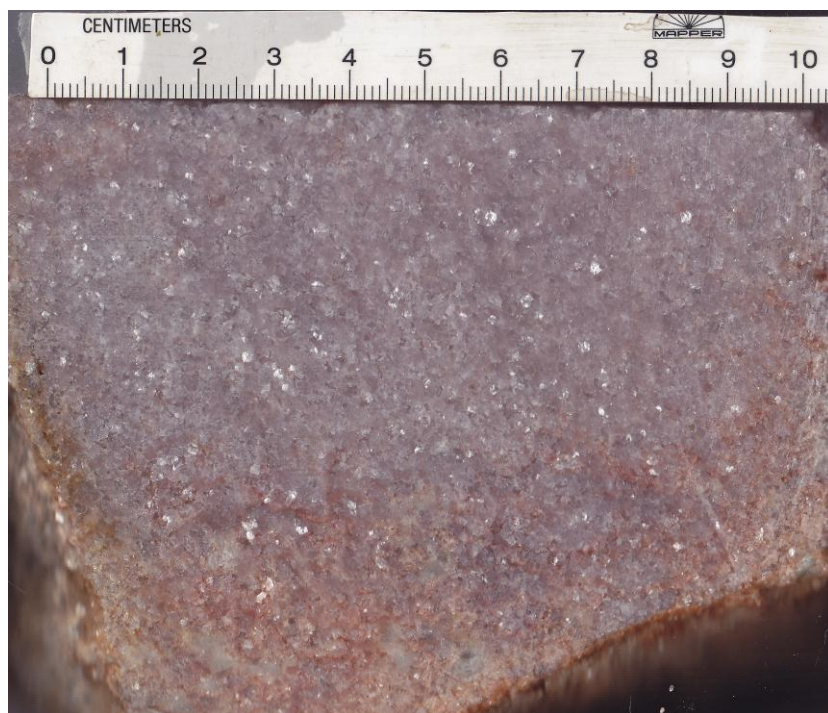


Plate 3:
Sample of lepidolite pegmatite which assayed 3.55% Li_2O .

Phar Lap Project – copper-gold (Monax 100% - Iluka Resources option to earn 80%)

In May 2015, Monax signed a Farm-in and Exploration Joint Venture Agreement with Iluka Resources Limited (“Iluka”) for the Phar Lap Iron-Oxide Copper-Gold (IOCG) Project, located on Exploration Licence 5123, which is on the margin of the Mt Woods Inlier in northern South Australia (Figure 1).

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

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

No work was completed by Iluka on the project during the quarter.

For further information please contact:

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Monax Mining
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Email: info@monaxmining.com.au

'The information in the Quarterly Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets is based on information compiled by Mr G M Ferris, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ferris is 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.'

Tenement Holdings as of 30 June 2016

Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 30 June 2016.

Monax Mining Limited

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Punt Hill	EL 5774	Granted	100%		Monax Mining
Yeltacowie	EL 5729	Granted	100%		Monax Mining
Melton	EL 5122	Granted	25% of all minerals	JV with Marmota Energy	Marmosa P/L*
North Melton	EL 5209	Granted	25% of all minerals	JV with Marmota Energy	Marmota Energy
Phar Lap	EL 5123	Granted	100%	Farm-In with Iluka Resources	Monax Mining
Nullarbor**	EL 5077	Granted	10%	Joint Venture with Western Areas	Monax Mining/Western Areas
North Yalata**	EL 5199	Granted	10%	Joint Venture with Western Areas	Monax Mining/Western Areas
East Yalata**	EL 5200	Granted	10%	Joint Venture with Western Areas	Monax Mining/Western Areas
Shoulder Hill	ELA 2014/194	Application	100%		Monax Mining
Bowilia Hill	EL 5669	Granted	100%		Monax Mining
Croydon#1	EPM 26038	Granted	100%		Monax Mining
Croydon#2	EPM 26203	Application	100%		Monax Mining
Bullock Creek#1	EPM 26176	Application	100%		Monax Mining
Bullock Creek#2	EPM 26214	Application	100%		Monax Mining
Bullock Creek#3	EPM 26215	Application	100%		Monax Mining

*Marmosa Pty Ltd (a wholly-owned subsidiary of Marmota).

**Monax's 10% interest currently being transferred to Western Areas Limited

Monax Alliance Pty Ltd

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Kulitjara	ELA 2013/168	Application	100%		Monax Alliance P/L
Anmuryinna	ELA 2013/169	Application	100%		Monax Alliance P/L
Poole Hill	ELA 2013/170	Application	100%		Monax Alliance P/L

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Monax Mining Limited

ABN

96 110 336 733

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(116)	(394)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(107)	(552)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	9
		-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	Cash call contributions under JV agreements	-	(312)
	Administration income from JV agreements	-	22
	Other – leave liabilities on termination	-	(58)
	- GST	9	36
	- Grant	-	45
Net Operating Cash Flows		(213)	(1,204)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	7
1.10	Loans to other entities	-	(1)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	6
1.13	Total operating and investing cash flows (carried forward)	(213)	(1,198)
1.13	Total operating and investing cash flows (brought forward)	(213)	(1,198)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	344
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Costs from issue of shares, options etc.	(19)	(47)
		-	-
	Net financing cash flows	(19)	297
Net increase (decrease) in cash held		(232)	(901)
1.20	Cash at beginning of quarter/year to date	383	1,052
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	151	151

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	54
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents executive director's consultancy

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 *Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest*

Western Areas Ltd pursuant to the Farm-In Option Agreement for EL 5077, EL 5199, EL 5200 has incurred \$205k in the quarter ending 30 June 2016.

Illuka Resources Limited pursuant to the Farm-In and Joint Venture Agreement for EL 5123 has not completed any work on the project in the quarter ending 30 June 2016.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	636
4.2 Development	-
4.3 Production	-
4.4 Administration	140
Total	776

Monax Mining Limited completed a Non-renounceable Entitlement Issue and associated shortfall placement which raised in excess of \$1.5 million in July 2016.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	136	368
5.2 Deposits at call	15	15
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	1
Total: cash at end of quarter (item 1.22)	151	383

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Parndana EL4581	Relinquished	100%	-
6.2 Interests in mining tenements acquired or increased	Croydon EPM 26203 Bullock Creek EPM 26176 Bullock Creek EPM 26214 Bullock Creek EPM 26215	Application Application Application Application	- - - -	100% 100% 100% 100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	303,610,625	303,610,625		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	225,000 325,000 1,200,000	Nil Nil Nil	<i>Exercise Price</i> \$0.051 \$0.053 \$0.026	<i>Expiry Date</i> 28/07/2016 23/07/2017 12/05/2020
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 29/07/2016
(~~Director~~/Company secretary)

Print name: Kaitlin Smith

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.