



MONAX MINING LIMITED

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Monax to acquire prospective gold project

HIGHLIGHTS

- **Term sheet signed for mining lease & exploration tenement at Percyville, Queensland**
- **Surface samples from mining lease report gold up to 62.5 g/t with an average grade of 10.3 g/t gold from 35 samples**

Monax Mining Limited (**Monax** or **the Company**) is pleased to announce that it has signed a binding term sheet with the owner of Mining Lease ("ML") 30216 and Exploration Permit Minerals ("EPM") 25370. Laboratory assay results for 35 samples collected within ML 30216 report gold up to 62.5 g/t gold and silver up to 620 g/t (see Table 1).

Gold mineralisation in the Percyville/Gilberton region is usually hosted within narrow quartz veins in the basement metamorphics or Siluro-Devonian granites. The quartz lode at ML 30216 appears different and may be related to gold mineralisation at nearby Kidston and Agate Creek, which is associated with high-level igneous activity during the Permo-Carboniferous (see Plate 1).

Based on these highly encouraging sampling results, Monax intends to undertake an induced polarisation survey followed by reverse circulation drilling.

Surface sampling results for EPM 25370 also reported copper up to 21.6% (see Table 2).

Agreement Terms

Monax has an exclusive option to purchase ML 30216 by making the following payments to the project vendors:

- Issue of 4 million shares within 14 days of signing formal transaction documents; and
- Cash payment of \$500,000 upon exercise of the option which must occur within 18 months of the signing of the term sheet.

If Monax withdraws from the project within the 18-month period, the Company will have acquired no interest in ML 30216.

Monax also has an exclusive option to purchase EPM 25370 through the issue of an ongoing net smelter royalty of 2% for all mineral sales upon exercise of the option.

For further information, please 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.



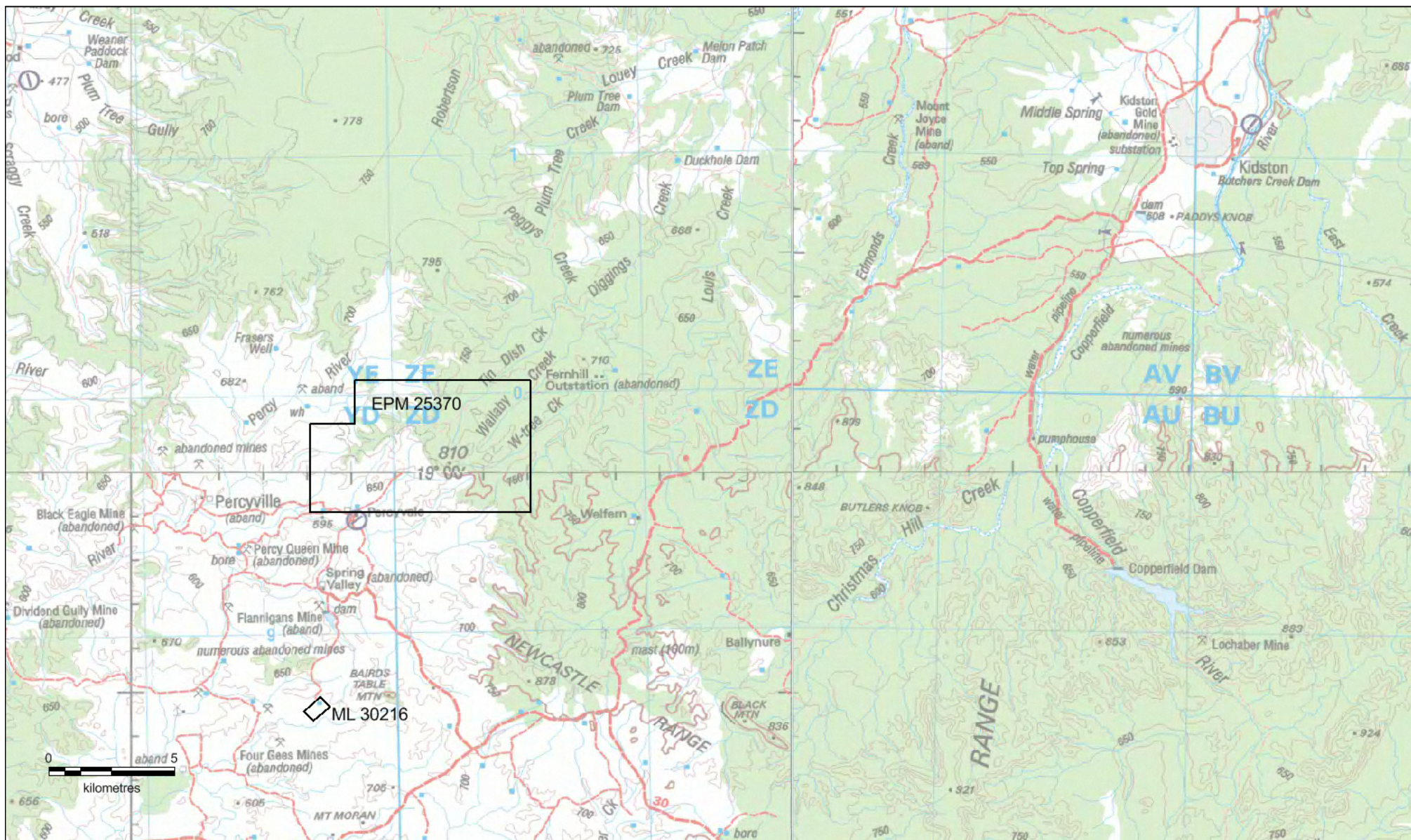
Plate 1. Sample of rock from ML 30216

Table 1: Sampling results from ML 30216

Site	Sample	Easting	Northing	Au	Au(R)	Au(S)	Ag	As	Cu	Mo	Pb	S	Te	Zn
5	134938	796943	7887090	2.34	-	-	14.1	68	135	17	203	515	15	21
6	134939	796917	7887098	28.6	26.6	-	370	30	25	59	4640	3610	80	25
7	134940	796950	7887078	4.75	4.61	-	42.8	5	24	159	1530	7050	15	X
8	134941	796939	7887074	7.82	-	-	11.7	6	12	125	522	3120	X	X
9	134942	796941	7887072	0.93	0.76	0.97	11	X	7	84	1100	3870	X	6
10	134943	796937	7887068	1.24	-	-	14	X	9	13	134	9160	X	6
11	134944	796930	7887065	1.39	-	-	18.1	7	35	558	255	7030	X	10
12	134945	796920	7887059	1.37	-	-	72	3	8	269	3570	13400	15	X
13	134946	796923	7887055	6.47	-	-	69.4	11	148	36	131	19100	20	15
13	134947	796923	7887055	6.12	-	-	70.9	5	14	391	260	10900	30	7
14	134948	796918	7887057	12.8	-	-	159	5	21	35	60	8980	25	6
15	134949	796920	7887057	3.29	-	-	34.3	4	11	17	97	17900	15	8
16	134950	796912	7887052	5.01	-	-	56.8	6	11	209	217	11200	20	8
17	134951	796908	7887051	2.58	-	-	30	X	7	36	1640	3620	X	6
18	134952	796908	7887048	9.85	-	-	85.2	5	29	27	386	12600	25	9
20	134953	796895	7887039	11.1	-	-	102	X	21	178	2120	7210	15	5
21	134954	796904	7887047	6.85	-	-	58.7	4	8	73	217	11800	10	6
22	134955	796891	7887037	7.38	-	-	78.4	3	47	14	974	5240	20	9
23	134956	796843	7886867	0.1	-	-	5.6	113	313	16	33	195	X	21
24	134957	796813	7886909	6.49	-	-	52.6	9	1140	120	504	16000	15	9
25	134958	796817	7886916	18.3	-	-	162	5	331	68	1150	21200	30	7
26	134959	796818	7886915	1.11	-	-	19.3	X	61	199	492	9080	X	8
27	134960	796823	7886921	62.5	62.4	-	620	15	149	28	123	975	155	43
28	134961	796836	7886927	18.5	-	-	180	26	31	30	262	3030	35	19
29	134962	796839	7886929	2.63	-	2.62	25	5	12	69	1180	9680	X	9
30	134963	796840	7886929	5.37	-	-	108	7	66	71	2440	9730	15	9
31	134964	796835	7886937	3.13	-	-	48.5	7	37	41	95	7070	X	11
32	134965	796839	7886937	13.7	-	-	132	15	105	276	1680	11500	25	12
33	134966	796845	7886937	38.1	-	-	450	5	45	49	3900	15900	65	10
34	134967	796845	7886942	8.25	-	-	71.2	X	7	64	159	1500	15	X
34	134968	796845	7886942	36.3	-	-	360	5	48	136	438	12800	35	X
35	134969	796849	7886943	13	-	-	92.8	5	22	47	63	7980	15	12
36	134970	796858	7886942	2.42	-	-	20.1	X	11	24	297	11300	X	6
37	134971	796856	7886951	3.16	-	-	30.4	X	6	42	53	5310	X	X
38	134972	796853	7886989	7.28	-	-	54.8	X	30	57	2050	8130	30	12

Table 2: Sampling results from EPM 25370

Site	Sample	Easting	Northing	Au	Au(R)	Ag	As	Cu	Mo	Pb	S	Te	Zn	Cu (%)
40	134973	799647	7897008	0.7	-	12.5	43	>10000	10	242	1080	X	1110	6.28
41	134974	799650	7897017	0.74	-	X	41	>10000	83	24	1250	10	278	21.6
42	134975	799700	7896978	0.11	-	X	536	7780	438	22	1070	10	738	-
43	134976	799760	7897012	0.07	-	1	1800	1920	154	323	885	X	301	-
44	134977	800295	7897451	0.44	-	61.9	39	>10000	19	197	235	X	795	16.4
45	134978	800328	7897446	0.79	-	14.3	12	>10000	18	264	445	X	1020	7.48
46	134979	800314	7897490	X	-	X	39	336	282	15	990	20	45	-
47	134980	800291	7897468	0.94	-	5.2	119	4170	45	124	1400	10	310	-
48	134981	799391	7897364	0.03	0.04	X	255	4770	239	178	855	X	106	-
49	134982	799367	7897364	0.05	-	X	190	2760	494	758	1070	X	116	-
49	134983	799367	7897364	0.03	-	1.2	109	90	129	181	390	X	42	-
50	134984	799335	7897357	0.54	0.58	0.9	13	111	11	29	1080	X	12	-
50	134985	799335	7897357	0.05	-	X	30	113	98	12	3270	X	9	-
50	134986	799335	7897357	0.02	-	X	7	124	420	13	10900	X	7	-



Location of Percyville Project (ML 30216 & EPM 25370)

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"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> 	<ul style="list-style-type: none"> Samples of quartz breccia was collected from outcrops within ML 30216. The samples are not considered as being highly representative. 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.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <i>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).</i> 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>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.</i> 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.
<i>Logging</i>	<ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.
<i>Sub-sampling techniques and</i>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> 	<ul style="list-style-type: none"> No sample preparation was completed on samples collected in the field. Samples were crushed and pulverised at the laboratory for

Criteria	JORC Code explanation	Commentary
<i>sample preparation</i>	<ul style="list-style-type: none"> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <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> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>analysis</p> <ul style="list-style-type: none"> The sample size is considered appropriate for reconnaissance sampling for gold.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <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> <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> 	<ul style="list-style-type: none"> Rock chips were assayed in a commercial laboratory using standard methods for gold. Gold was determined by fire assay (FAA505). All other elements were analysed using a multi-acid digest followed by an inductively coupled plasma atomic emission spectroscopy (ICP-AES). All samples were analysed at SGS Laboratory Townsville. Lab standards were assayed as part of this job.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.
<i>Location of data points</i>	<ul style="list-style-type: none"> <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> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Rock chip sample locations were collected using a hand held GPS (+/- 5m accuracy). MGA94 (Zone 54)
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <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> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> 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. No sample compositing was undertaken.
<i>Orientation of data in relation to geological</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<ul style="list-style-type: none"> The samples were collected at a selected site and it is unknown if this results is biased or unbiased.

Criteria	JORC Code explanation	Commentary
<i>structure</i>	<ul style="list-style-type: none"> 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>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Unknown.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews have been completed.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary																																								
Mineral tenement and land tenure status	<ul style="list-style-type: none">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.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.	<ul style="list-style-type: none">The area sampled is located on ML 30216 and EPM 25370 held by private individuals. Monax has signed a binding term sheet with the owners and is the process of producing a option to purchase agreement.The ML and EPM are free of any known impediments.																																								
Exploration done by other parties	<ul style="list-style-type: none">2006	<ul style="list-style-type: none">Previous company exploration within the Percyville area has mainly focussed on gold with some exploration for base metals and uranium.Several companies have explored for uranium on the tenement - not included here. Below is a short summary of exploration undertaken in the area of EPM 25370. <table><tr><th>Year</th><th>Company</th><th>Target - work</th><th>Reference</th></tr><tr><td>1986</td><td>Mt Veteran Minerals</td><td>Base metals – stream sed</td><td>CR 16252</td></tr><tr><td>1988</td><td>Central Murchison Gold</td><td>Gold – detailed work at Camerons prospect</td><td>CR 18183</td></tr><tr><td>1989</td><td>Battle Mountain</td><td>Gold – stream sed</td><td>CR 21076</td></tr><tr><td>1991, 1992</td><td>Kidston Gold Mines</td><td>Gold – geol mapping, rock chip sampling</td><td>CR 22850, CR 23772</td></tr><tr><td>1993</td><td>BHP</td><td>Base metals – rock chip sampling; RC drilling</td><td>CR 24755</td></tr><tr><td>1994</td><td>BHP</td><td>Base metals – airborne EM and ground surveys; rock chip sampling</td><td>CR 25908</td></tr><tr><td>1995</td><td>BHP</td><td>Drilling</td><td>CR 26853</td></tr><tr><td>1994</td><td>Rio Tinto</td><td>Base metals - follow-up BHP work – stream sed; rock chip sampling</td><td>CR 44079</td></tr><tr><td>2009</td><td>Glengarry Resources</td><td>Gold & base metals – mapping, soil sampling, rock chip sampling, channel sampling and drilling</td><td>CR 57432</td></tr></table>	Year	Company	Target - work	Reference	1986	Mt Veteran Minerals	Base metals – stream sed	CR 16252	1988	Central Murchison Gold	Gold – detailed work at Camerons prospect	CR 18183	1989	Battle Mountain	Gold – stream sed	CR 21076	1991, 1992	Kidston Gold Mines	Gold – geol mapping, rock chip sampling	CR 22850, CR 23772	1993	BHP	Base metals – rock chip sampling; RC drilling	CR 24755	1994	BHP	Base metals – airborne EM and ground surveys; rock chip sampling	CR 25908	1995	BHP	Drilling	CR 26853	1994	Rio Tinto	Base metals - follow-up BHP work – stream sed; rock chip sampling	CR 44079	2009	Glengarry Resources	Gold & base metals – mapping, soil sampling, rock chip sampling, channel sampling and drilling	CR 57432
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Geology	<ul style="list-style-type: none">Deposit type, geological setting and style of mineralisation.	<ul style="list-style-type: none">Quartz hosted gold.																																								
Drill hole	<ul style="list-style-type: none">A summary of all information material to the understanding of the	<ul style="list-style-type: none">Not Applicable – no drilling results reported.																																								

Criteria	JORC Code explanation	Commentary
Information	<p>exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. <p>• 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.</p>	
Data aggregation methods	<ul style="list-style-type: none"> • 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. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Not Applicable – no drilling results reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • 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’). 	<ul style="list-style-type: none"> • Not Applicable – no drilling results reported.
Diagrams	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Map showing tenement location is included in Release and results are presented in Table format within the Release.
Balanced reporting	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Results for samples are included in release.
Other substantive exploration data	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No applicable – no history of exploration has been found for the area within ML 30216. A brief summary of regional exploration relating to EPM 25370 is included above.

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Monax is planning to undertake an IP survey on ML 30216 followed by drilling. Monax is planning data compilation followed by further mapping and sampling on EPM 25370.