



**MONAX  
MINING LIMITED**

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29 April 2016

# Monax Mining Limited

## Quarterly Report

For the quarter ended 31 March 2016

### HIGHLIGHTS

#### ○ ***Mt Ringwood Gold Project***

- Results for batch of samples collected in December 2015 reveal 34 rock chips with >1 g/t gold
- High-grade gold up to 81 g/t recorded from sampling south of abandoned Goodall Gold Mine
- 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
- Preparation for maiden drilling program continuing - drilling to commence in May 2016

#### ○ ***Croydon Gold Project***

- Croydon tenement application close to being granted
- Monax to review data with a view to commence on-ground sampling within current quarter

## Corporate

In the three months to 31 March 2016, Monax Mining Limited (“Monax”) (ASX:MOX) has been working on the planned drilling program at the Mt Ringwood Gold Project in the Northern Territory. Monax has submitted an Exploration Operations Mining Management Plan to the NT Department of Mines and Energy and is awaiting final drilling approval.

During the Quarter, Monax completed two share placements raising approximately \$198,000 (before costs). This money will be used to fund the maiden Mt Ringwood drilling program.

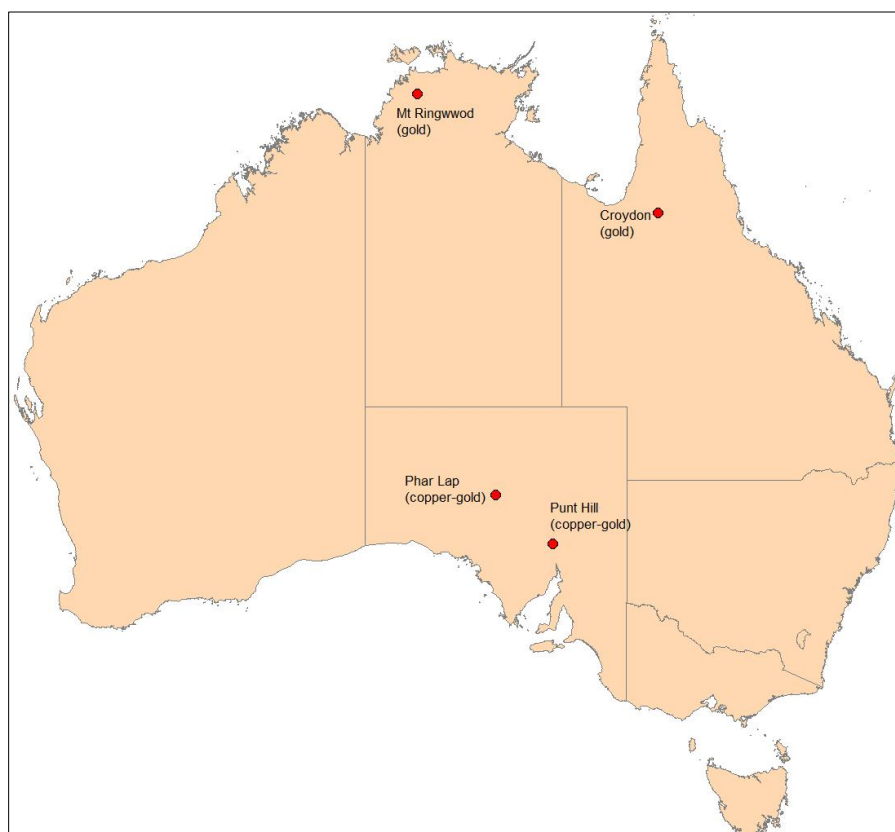
Monax has elected not to contribute to the Western Gawler Craton Joint Venture and will withdraw from the project. Monax and Western Areas have negotiated a cash sale of \$20,000 for Monax’s interest in the tenements. Transfer documents have been lodged with the Department of State Development (“DSD”) and Monax anticipates payment within the current quarter.

As at 31 March 2016, Monax has a cash balance of \$0.38 million. During the quarter, \$28,000 was spent on exploration.

## Exploration

Monax has four current project interests:

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



**Figure 1:** Location of Monax’s projects as of 31 March 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 in 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 121 samples collected in the December 2015 Quarter. A total of 34 samples reported >1 g/t gold (see ASX Release 7 January 2016 for full details). Plate 1 shows sample 295487 which reported 81 g/t gold.



**Plate 1:**  
Sample 295487 which assayed 81 g/t gold (repeat assay = 80 g/t gold)

The results reported continue the exceptional results from previous field trips (see 15 October 2015; 26 October 2015; 27 November 2015 and 3 December 2015 ASX Releases for all sampling results for the Mt Ringwood Project).

Sampling at the C8 area provided highly encouraging results with 7 out of the 8 samples collected reporting >1 g/t gold (see Table 1) with gold ranging from 0.79 g/t to 21 g/t. The reef at the C8 area is approximately 600m in length and comprises zones of buck quartz and quartz with sulphide.

Further mapping and sampling south of the abandoned Goodall Gold Mine also reported encouraging results with 4 samples reporting >1 oz/t gold (>31 g/t – see Table 1). Figure 3 shows the location of all samples collected within the project area.

In March 2016, additional sampling was completed on the project as part of a field visit to prepare for the Company's upcoming maiden drilling program.

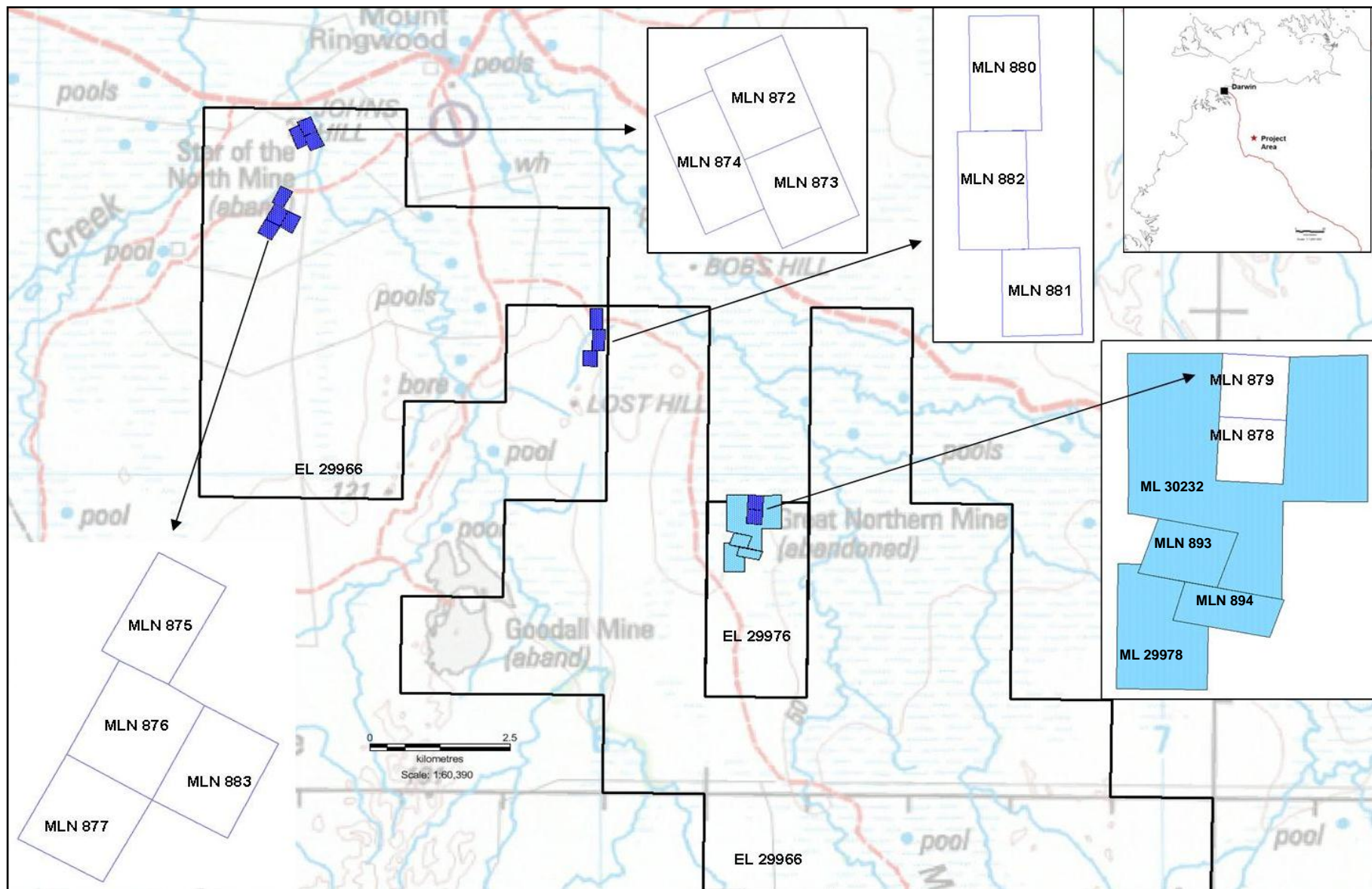
Fifteen samples were collected from two areas south of the Star of the North Mining Leases on the western side of the project area (see Figure 3). Samples were submitted for analysis with results received after the end of the quarter.

Monax is currently awaiting statutory approvals for the proposed drilling program and expects to commence drilling in May 2016.

**Table 1:**

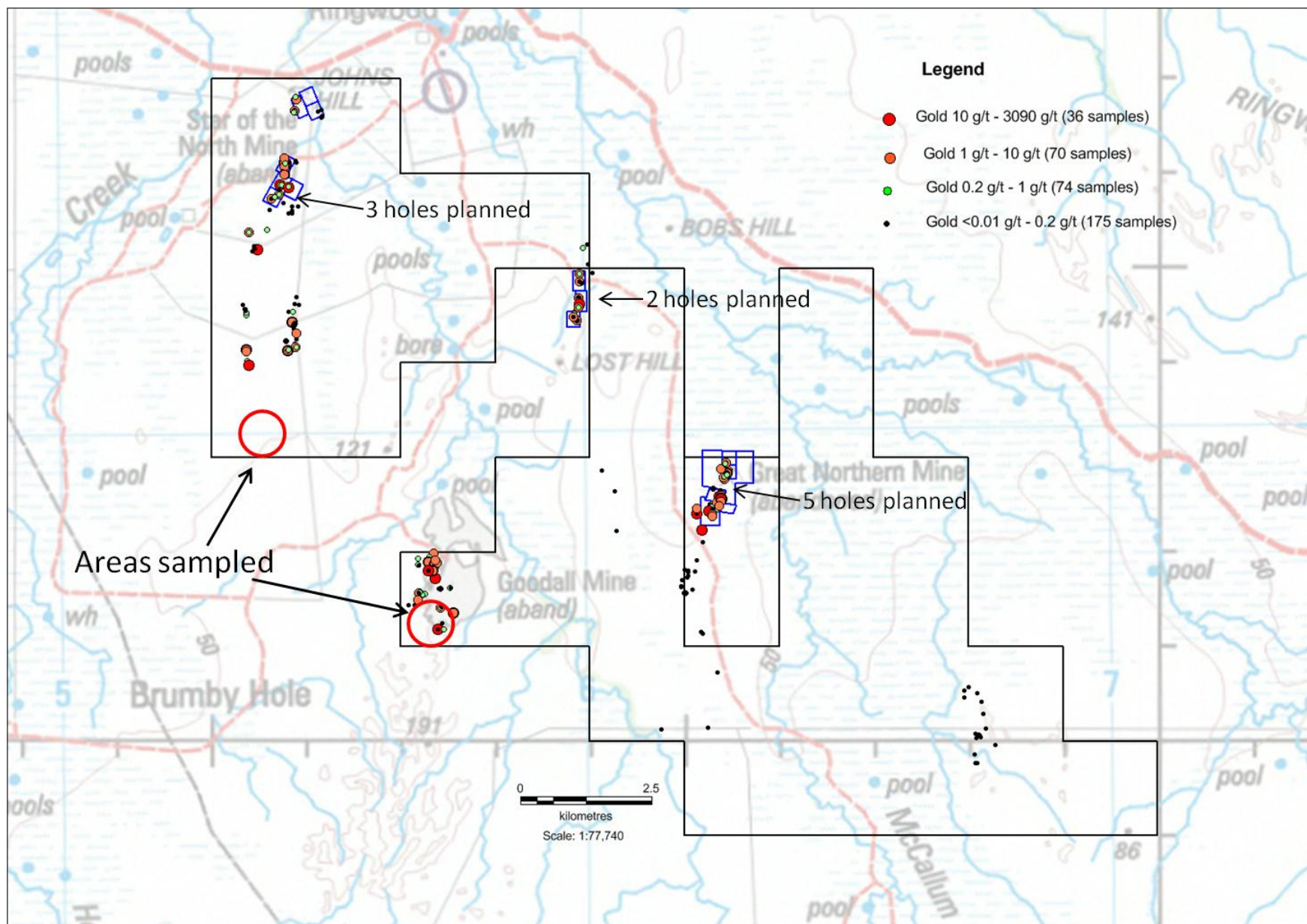
Results for samples reporting &gt;1g/t gold from December 2015 field trip

Site	Prospect	Easting	Northing	Sample No	Au (ppm)	Au (ppm) Rpt
304	Johns Hill	754532	8546324	295382	3.02	-
311	Star North	754235	8544692	295389	3.9	3.92
311	Star North	754235	8544692	295391	3.63	-
330	C8	753576	8541662	295406	15.6	15.8
331	C8	753573	8541653	295407	2.96	-
332	C8	753567	8541660	295408	1.45	-
333	C8	753568	8541627	295409	1.75	1.68
333	C8	753568	8541627	295410	3.36	-
343	C8	753625	8541369	295412	20.7	21
343	C8	753625	8541369	295413	16.7	16.6
358	Great Northern	762668	8539088	295418	1.4	-
365	Great Northern	762576	8538530	295422	1.57	-
365	Great Northern	762576	8538530	295423	2.72	-
371	Great Northern	762447	8538339	295425	1.07	-
411	Goodall	757236	8536608	295453	1.94	-
413	Goodall	757475	8536504	295457	24.7	24.1
413	Goodall	757475	8536504	295458	5.8	5.7
413	Goodall	757475	8536504	295459	9.4	9.5
413	Goodall	757475	8536504	295460	2.23	-
417	Goodall	757174	8536182	295465	31	32.3
425	Goodall	757491	8535646	295467	9.4	9.3
430	Goodall	756833	8536888	295470	1.17	-
436	Goodall	756813	8536755	295474	6	5.9
442	Goodall	757148	8537178	295480	68	68
442	Goodall	757148	8537178	295481	34	35
443	Goodall	757095	8537312	295483	1.65	-
444	Goodall	757098	8537320	295484	2.32	-
444	Goodall	757098	8537320	295485	10.3	11
445	Goodall	757015	8537320	295487	81	80
448	Goodall	756860	8537753	295489	14.2	14.2
502	Great Northern	762722	8539375	295506	1.01	-
502	Great Northern	762722	8539375	295507	1.03	-
502	Great Northern	762722	8539375	295508	8.9	9.1
502	Great Northern	762722	8539375	295509	3.58	-



**Figure 2: General location plan – Mt Ringwood Gold Project**





**Figure 3:** Summary of rock chip results and areas sampled in March 2016

## Croydon Gold Project

Monax's tenement applications are located approximately 20km north-east of Croydon, in the north-west of Queensland (see Figure 4). Monax has two tenement applications 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.

The geology of the Croydon Goldfields consists of mid Proterozoic Esmeralda Granite and co-magmatic Croydon Volcanics, while the gold mineralisation is young at 300Ma (similar in age to the Mt Leyshon or Kidston gold deposits). Approximately 80% of past production in the area originates from granite-hosted veins known as granite lodes up to 9m thick and controlled by shallow north-east dipping reverse faults.

Monax has received notification that EPM 26038 is ready to be granted. Monax recently applied for a further EPM covering the Gilded Rose reefs (EPM 26203). This tenement was not available at the time of the previous application and contains historical anomalous rock chip and drill hole results. Further information will be provided once Monax commences work on the project.

Monax is planning to commence on-ground exploration comprising mapping and sampling to confirm historical sample results within the current quarter.

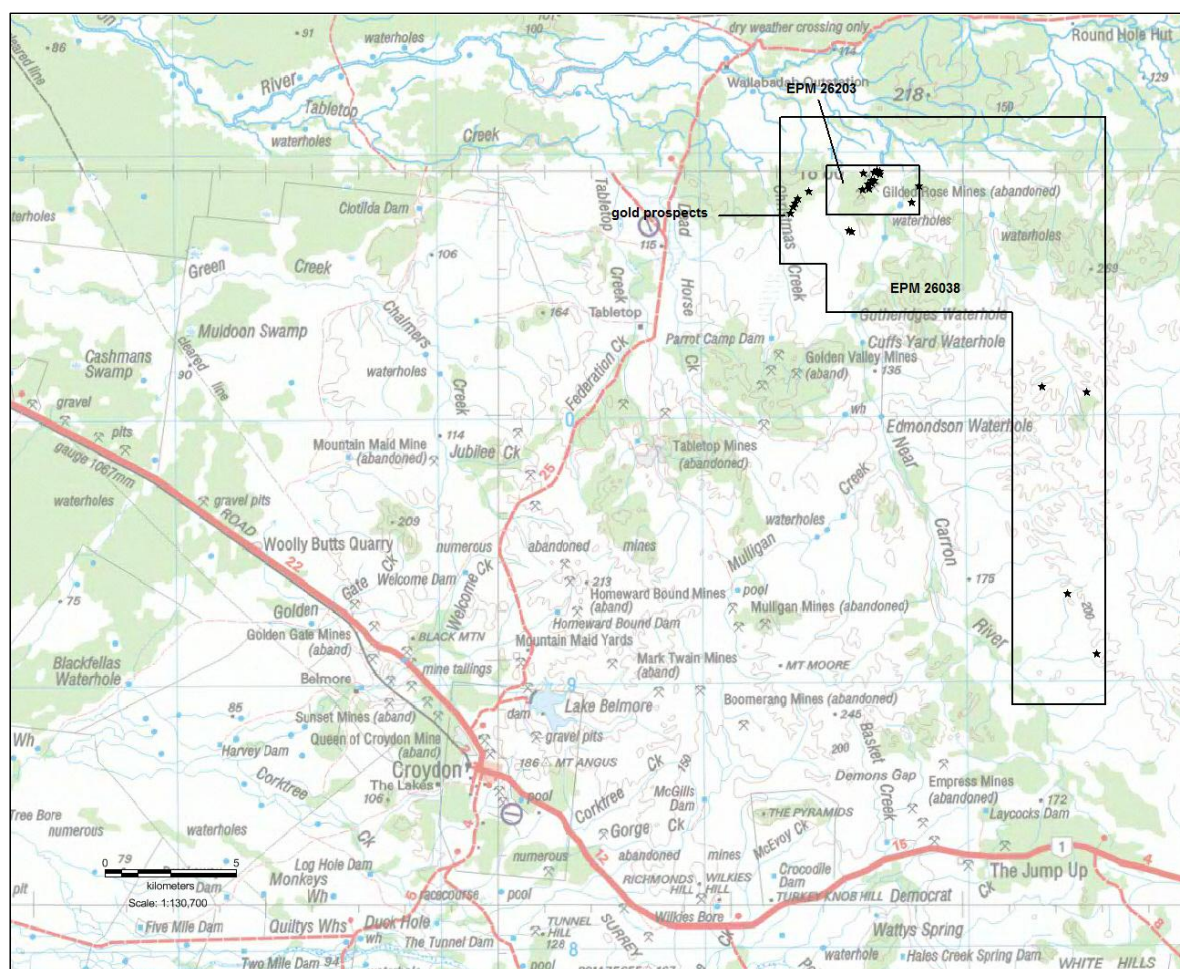


Figure 4. Location of Croydon Project in NW Queensland.



**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.

Work completed by Iluka on the project during the December quarter included:

- Re-modelling of three gravity anomalies drilled in 2015 Q4
- Assay of drill core samples from PHL0003DD (drilled 2015 Q4)
- Petrographic analysis of 15 drill core samples
- Rehabilitation of tracks and drill sites completed
- Geological synthesis

The gravity anomalies targeted by the November-December 2015 diamond drilling programme were remodelled by constraining the inversions to density data from the drill core and to the cover depth from the basement intercepts of the drill holes. All three of the density anomalies have increased in depth and/or magnitude relative to the original models. The current dataset cannot exclude the possibility that these anomalies are the result of locally shallow basement.

During the November-December 2015 diamond drilling programme, a 1m half-core sample was taken every 10m within the basement sequence for multi-element analyses, in order to document lithology and alteration. In addition, specific density measurements were done to constrain the re-modelling of the gravity anomalies. Samples were also taken in intervals with disseminated sulphides and quartz veins.

Drill hole PHL0003DD intersected sparse zones of quartz-carbonate veinlets with trace pyrite. No significant mineralisation was observed. A total of 29 samples were taken in hole PH0003DD, excluding standards and blanks. Assay data demonstrates no enrichment of Cu and no significant gold values were returned.

**For further information please contact:**

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Monax Mining  
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*‘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 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.’*



## Tenement Holdings as of 31 March 2016

Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 31 March 2016.

### Monax Mining Limited

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Punt Hill	EL 4642	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
Parndana**	EL 4581	Granted	100%		Monax Mining
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	EPM 26038	Application	100%		Monax Mining

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

\*\* Currently being relinquished

\*\*\* 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")

31 March 2016

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(28)	(278)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(146)	(445)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	8
		-	-
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	(2)	27
	- Grant	-	45
	<b>Net Operating Cash Flows</b>	<b>(174)</b>	<b>(991)</b>
<b>Cash flows related to investing activities</b>			
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)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>6</b>
1.13	Total operating and investing cash flows (carried forward)	(174)	(985)
1.13	Total operating and investing cash flows (brought forward)	(174)	(985)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	198	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.	(14)	(28)
		-	-
	<b>Net financing cash flows</b>	<b>184</b>	<b>316</b>
<b>Net increase (decrease) in cash held</b>		<b>10</b>	<b>(669)</b>
1.20	Cash at beginning of quarter/year to date	373	1,052
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>383</b>	<b>383</b>

**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	72
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 non executive directors' fees and executive director's salary (including SGC superannuation) and legal fees paid to a legal firm in which a director is a partner.

**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 Area Ltd pursuant to the Farmin-In Option Agreement for EL 5077, EL 5199, EL 5200 has incurred \$130k in the quarter ending 31 March 2016.

Illuka Resources Limited pursuant to the Farm-In and Joint Venture Agreement for EL 5123 has incurred \$156k in the quarter ending 31 March 2016.

### 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	59
4.2 Development	-
4.3 Production	-
4.4 Administration	113
<b>Total</b>	<b>172</b>

### 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	368	357
5.2 Deposits at call	15	15
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	1
<b>Total: cash at end of quarter (item 1.22)</b>	<b>383</b>	<b>373</b>

+ 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			
6.2	Interests in mining tenements acquired or increased			

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+ 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 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	303,610,625	303,610,625		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	39,601,286	39,601,286		
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	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 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ 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: 29/04/2016  
(~~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.