



MONAX MINING LIMITED

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Exploration Update

HIGHLIGHTS

- **Cape York bauxite drilling program completed.**
- **Monax withdraws from Percyvale option.**
- **Company to focus on current South Australian projects as well as new strategic alliance with Antofagasta.**

Monax Mining Limited (ASX: MOX) today provides an update on its Percyvale option and the Pretender Creek bauxite project in northern Queensland.

Percyvale Gold Option

In March 2010, Monax entered into an option agreement over four granted mining leases located in the Percyvale area, approximately 70km south of Georgetown. Rock chip sampling on all four leases provided high-grade results.

In July this year Monax completed 17 drill holes totalling 760m on the four granted mining leases. Further analysis of the drilling results demonstrated that whilst high-grade gold up to 8.94 g/t was reported (see September 2011 Quarterly Report), the high-grade surface results were not confirmed at commercially viable levels.

Based on the drilling results, Monax has withdrawn from the option agreement.

The Company has six mining lease applications within the Percyvale – Mt Hogan area, which have progressed towards being granted. Monax is currently assessing its options in regard to these leases.

Pretender Creek Bauxite Project

The Pretender Creek project is located on Cape York, and comprises five granted tenements. Reconnaissance mapping and surface sampling has showed bauxite is present within all tenements and bauxite with up to 44.5% Al₂O₃ has been reported.

In October 2011, Monax undertook a reconnaissance auger drilling program to test the depth and quality of the bauxite across the five tenements. Monax completed 138 shallow auger holes across the area.

The drilling program confirmed bauxite at high grades at the surface, but did not intersect significant thickness of bauxite under the surface capping. Drilling was along and adjacent to existing tracks and

Monax was not able to test all areas without developing new tracks and river crossings. The Company was unable to test a prominent bauxite plateau located on EPM 17005 and will look at testing this area after the upcoming wet season.

Monax will assess the drilling data over the wet season.

Current Exploration Focus

Monax has completed drilling at its flagship Punt Hill copper-gold project, located within the Olympic iron-oxide copper-gold province in South Australia. Four holes totalling 2561.1m were completed.

Monax is currently sampling the drill core and samples will be submitted for analysis over the coming weeks with results expected in early February, 2012.

The Company has also commenced a gradient array induced polarisation survey at its Waddikee manganese project on South Australia's Eyre Peninsula to assist with targeting manganiferous horizons at the Jamieson Tank and Polinga prospects. Drilling based on the results of the IP survey is planned to commence in February 2012.

Monax recently signed a strategic alliance with Chilean mining giant, Antofagasta, for copper exploration in South Australia, and has commenced assessing projects.

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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 2004 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.