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ASX RELEASE

Coarse flake graphite assay results received for Argent prospect on the Waddikee Project

HIGHLIGHTS

- Assays for samples from Argent prospect range from 10.24% to 16.04% carbon.
- Coarse flake size up to 2mm in length.
- Two sites on Waddikee Project with confirmed coarse flake graphite assaying 10% carbon or higher.

Monax Mining Limited (ASX: MOX) ('Monax' or 'Company') is pleased to announce that geochemical assay results have been received for samples collected recently at the Argent and Stanley prospects on the Waddikee Project.

In 2006, Monax undertook a sampling program at the Argent prospect to identify base metals and silver.

Based on the graphite potential identified in a petrological report, the Company recently collected four samples from the Argent prospect and one sample from the Stanley prospect (see table below). These samples were submitted for geochemical analysis and the results from this analysis confirmed the presence of graphite with the Argent prospect reporting between 10.23% carbon (C) to 16.04% C (see table below). One sample from the Stanley prospect reported 2.54% C.

Location	Easting	Northing	Carbon (%)
ARG 4	631186	6298332	16.04
ARG 4A	631186	6298332	10.24
ARG 5	631235	6298342	13.06
ARG 6	631143	6298247	11.45
STA 1	631957	6299251	2.54

Geochemical analysis undertaken by Genalysis using CSA method. Datum GDA 94 Zone 53

The combination of the coarse flake graphite and the high carbon assay results makes the Argent prospect a high priority graphite target. Monax has previously outlined six target areas based on previous surface sampling, historical drilling and assessment of the airborne electromagnetic (AEM) data (see Figures 2 & 3).

Monax is currently reviewing all available data and will commence planning for the maiden drilling program targeting graphite. Further field reconnaissance will be undertaken prior to the drilling program to determine access for drilling, undertake additional sampling areas of known surface graphite and to field check the six target areas identified by Monax as being prospective for graphite.

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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.

The table below provides a summary of the petrological report from 2006:

Sample	Easting	Northing	Description (taken from petrological report)
ARG 2	631193	6298229	Foliated graphite, from 0.2mm to 1.5mm in crystal size, is common (~15%), with some kinked flakes and recrystallised areas with smaller graphite flakes (< 0.2mm long).
ARG 3	631221	6298328	Graphite is less abundant compared to the previous sample, (5-7%) with some kinking and shredding. Some areas have poorly oriented graphite flakes less than 0.4mm in grainsize, but other areas have more foliated graphite that is locally more than 1mm in crystal size.
ARG 5	631235	6298342	There is more abundant and mostly recrystallised but foliated graphite in this sample than in the other two ARG samples, to 1.5 or 2mm in crystal size, with some kinked flakes, and small areas with bent or contorted flakes. There may be as much as 20% graphite in this thin section area.

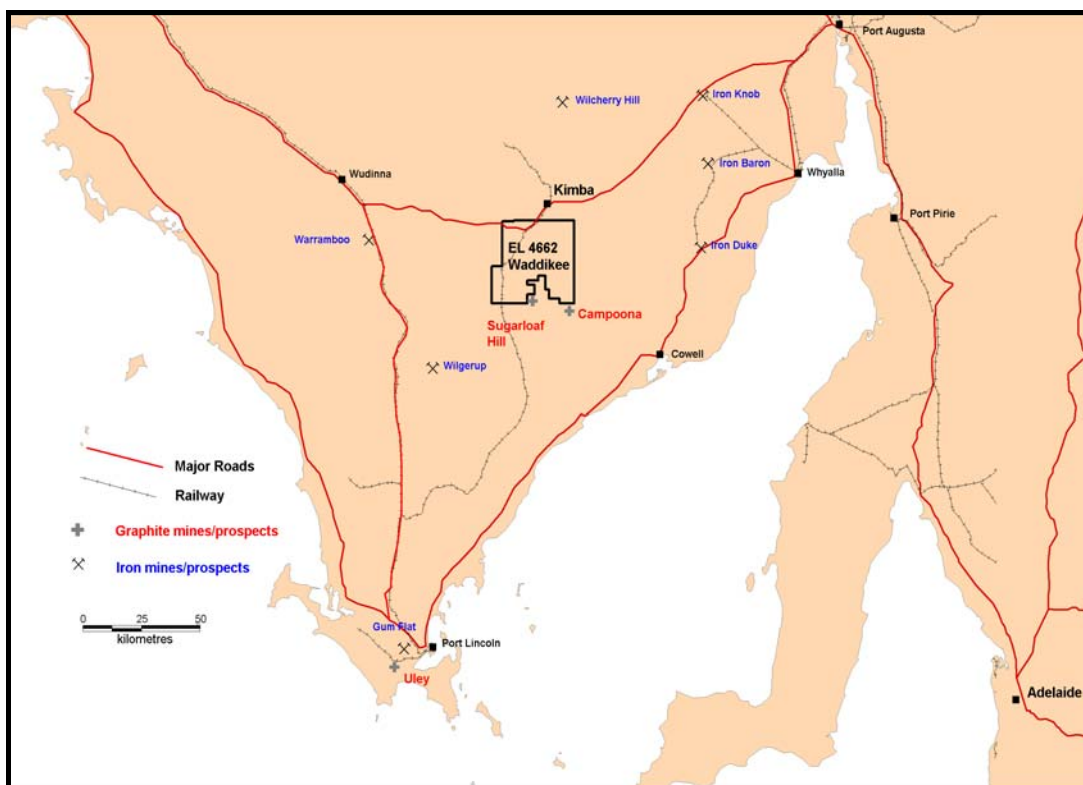


Figure 1. Location of the Waddikee project, central Eyre Peninsula, highlighting other graphite and iron projects within the region.

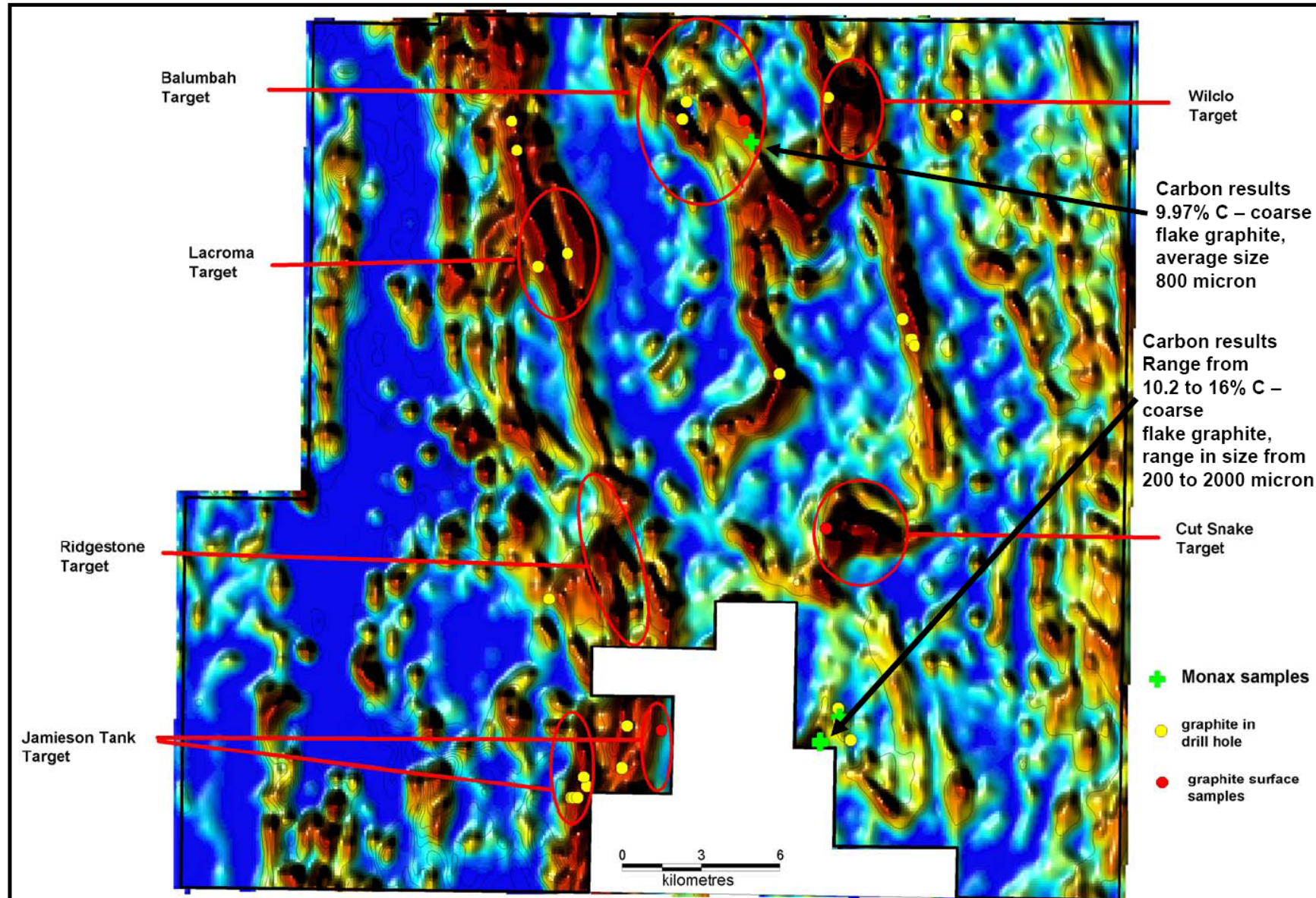


Figure 2. Location of coarse graphite samples at Argent and Stanley prospects (green crosses). Yellow dots are historical drill holes which report graphite and red dots are surface samples collected by SA Department of Mines and Energy.



Figure 3. Detailed view of Argent and Stanley prospects showing sample locations.