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ASX RELEASE

New high-grade manganese prospect returns best drill results to date from Monax's Waddikee Project

HIGHLIGHTS

- **Waddikee Project's best manganese results to date achieved from drilling on newly-discovered Hodgins zone of mineralisation**
- **Hole HRC05 returning 6m @ 20.9% Mn (4-10m), 6m @ 20.6% Mn (14-20m), 20m @ 23.8% Mn (22-42m) and 10m @ 29.2% Mn (46-56m EOH).**
- **Further highly encouraging iron results from the project's Jamieson Tank prospect with 34m @ 35.6% Fe, 11m @ 30.5% Fe, 10m @ 27.2% Fe and 12m @ 25.9% Fe reported.**
- **Promising iron results from Polinga prospect with 11m @ 46.6% Fe, 12m @ 33.6% Fe and 10m @ 30.3% Fe reported.**

Multi-commodity exploration company, Monax Mining Limited (ASX: MOX), today announced a new high-grade manganese prospect has been identified at its Waddikee Project on South Australia's Eyre Peninsula.

The Waddikee project is the subject of a farm-in agreement with OM (Manganese) Ltd (OMM), a wholly-owned subsidiary of OM Holdings Limited (ASX:OMH). OMM is required to fund A\$2 million over four years to acquire a 60% participating interest in the project.

Results released today from Monax's most recent drilling program have revealed the highest grade of manganese recorded to date.

Monax Mining's Managing Director, Mr Gary Ferris, said the highest grade of manganese intersected by the drilling program was reported from the Hodgins prospect, located within the northwest of the Waddikee project area (Figure 1).

"We are extremely encouraged with these results which open up another promising component at our project area," Mr Ferris said.

"They are significant results because they have not only identified a new zone of manganese mineralisation outside of our main target area, but the grade of the manganese intersected by drilling on the Hodgins prospect is the highest we have obtained from the project."

High-grade manganese

Six holes were drilled at the Hodgins prospect to follow up high grade surface samples grading up to 37% Mn. The best intersections from the recently completed drilling include:

- 10m @ 29.2% Mn (Hole HRC05 46-56m EOH)
- 20m @ 23.8% Mn (Hole HRC05 22-42m)
- 11m @ 20.8% Mn (Hole HRC03 9-20m)
- 14m @ 16.8% Mn (Hole HRC01 32-46m)

Hole HRC05 contained the highest grade manganese from drilling on the project area, and included four samples which reported <14% Mn (5.9 – 12.7% Mn). Overall the hole contained 52m @ 21.2% Mn (4-56m) – see Figure 2.

The holes at Hodgins were drilled within a zone of manganese float located on a small rise.

No manganese was observed away from the limited area of float and it is interpreted that the manganese is located under cover to the north and south of the drilling traverse.

Monax is planning a detailed program of auger sampling to outline the manganese horizon under shallow cover from which to plan future drilling to determine the significance and geological context of these outstanding results at this highly prospective area.

Minor intersections of manganese were reported from the southern part of the Jamieson Tank prospect and the Polinga prospect. A summary of all significant manganese results is presented in Table 1.

Identification of high-grade manganese mineralisation at the Hodgins prospect confirms the prospectivity of the entire project area and Monax is currently reassessing the geophysical data to assist in defining further areas for manganese exploration.

Significant iron intersections

The recent drilling program also returned significant intersections of iron from the project area.

Previous drilling reported 44m @ 34.6% Fe from the Polinga prospect and 20m @ 33.8% Fe, 24m @ 28.4% Fe and 20m @ 32.1% Fe from the Jamieson Tank prospect.

Significant intersections from the latest drilling include:

- 34m @ 35.6% Fe (Hole JTRC166 4-38m)
- 11m @ 46.6% Fe (Hole PRC010 13-24m)
- 12m @ 33.6% Fe (Hole PRC010 34-46m)
- 4m @ 43.1% Fe (Hole HRC05 13-17m)

A summary of all key iron results from the recent drilling program is presented in Table 2.

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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.

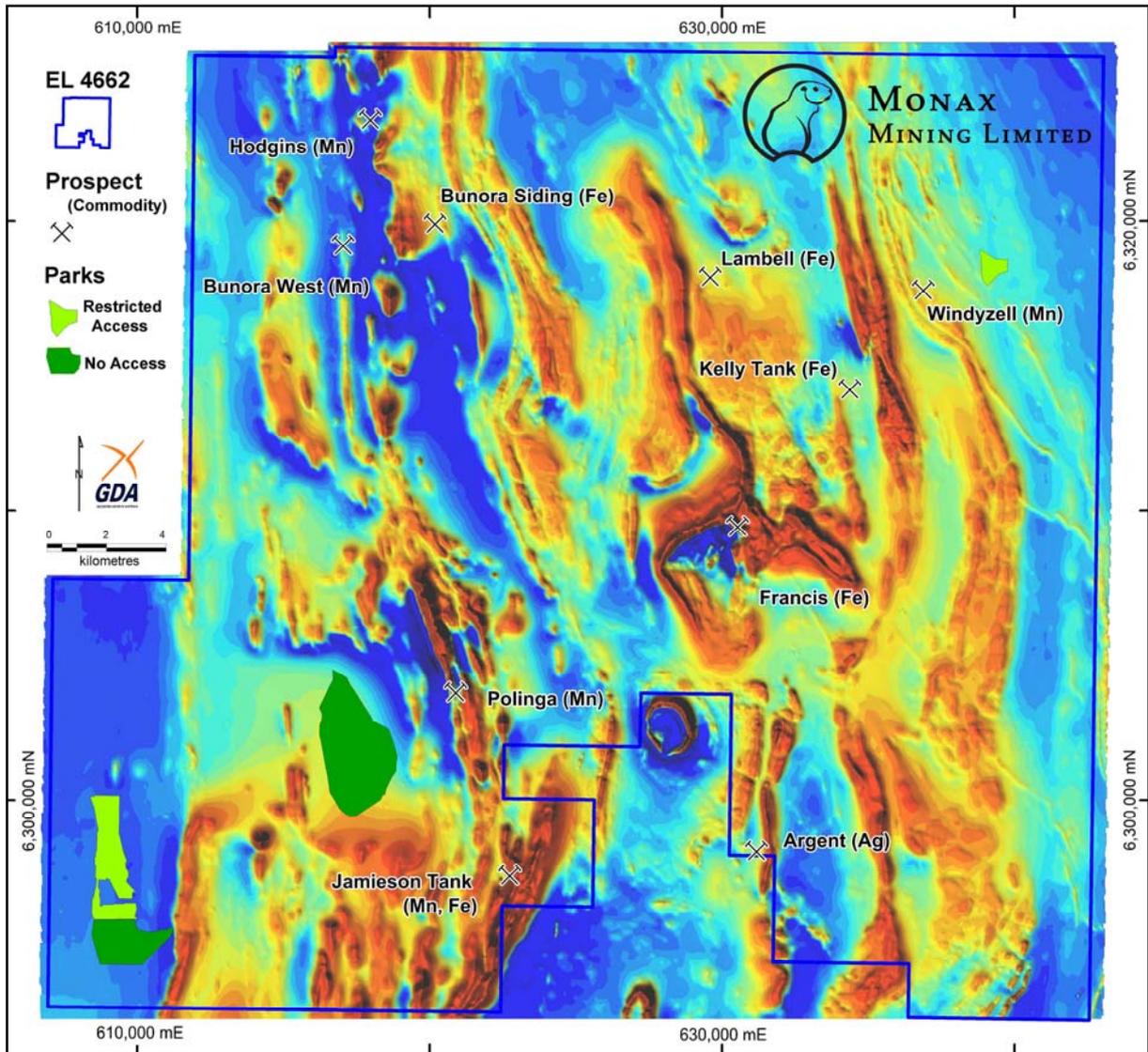


Figure 1. Waddikee project. Locations of the regional prospects including commodity focus. (Background: total magnetic intensity)

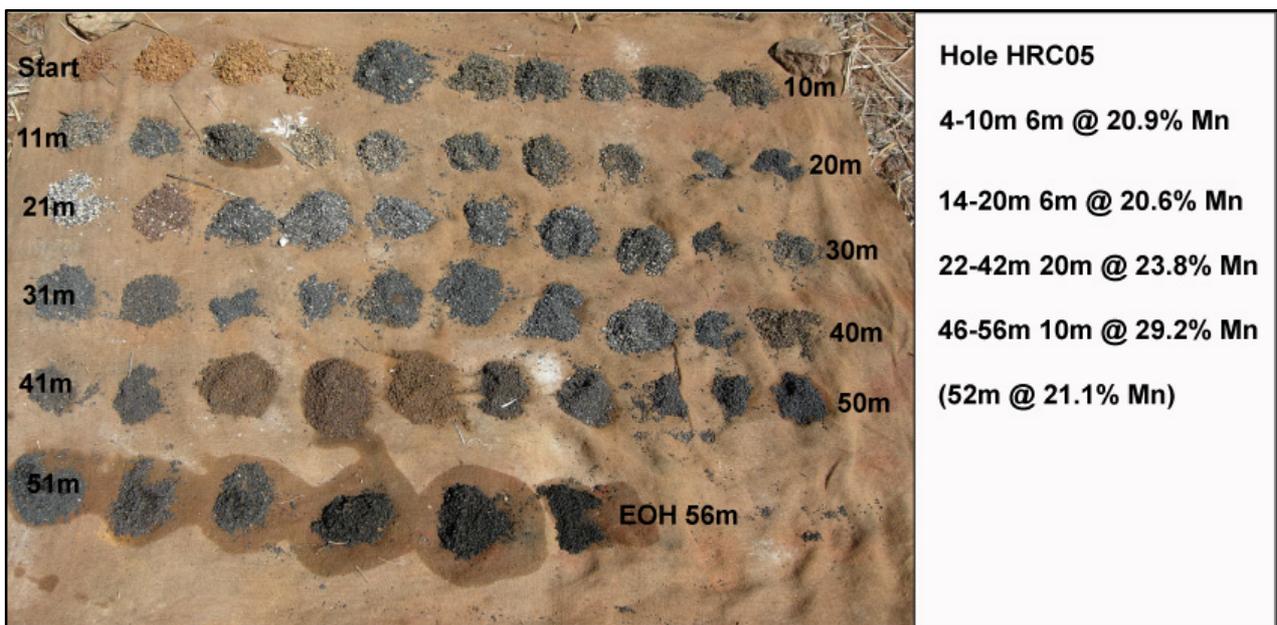


Plate 1: Drill hole samples for HRC05

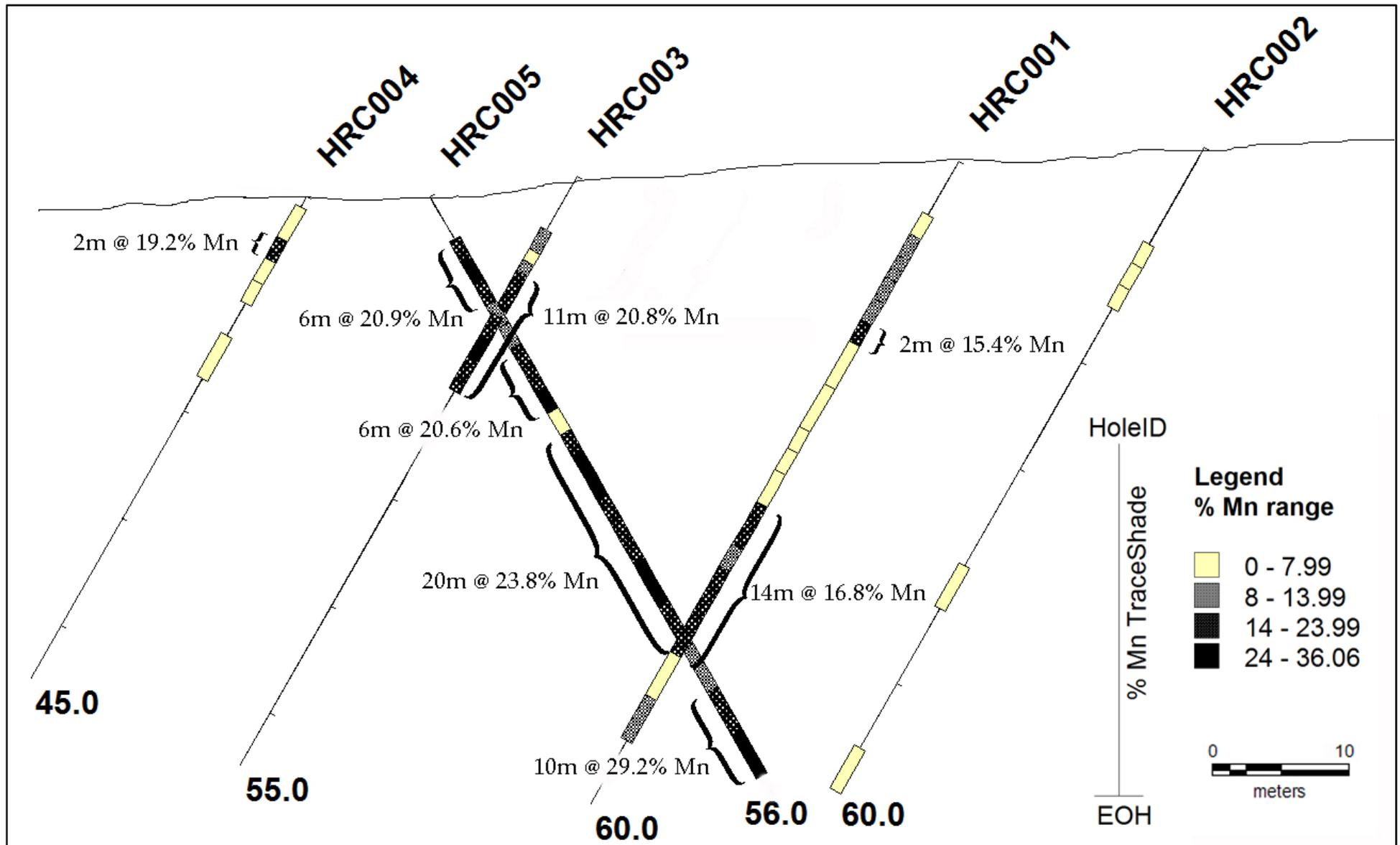


Figure 2: Drill hole section for Hodgins prospect showing high-grade manganese in hole HRC05

Table 1: Significant Mn results (using 14% cut-off)

Drill Hole No.	Interval (m)	Metres	Grade (% Mn)	Fe (%)	P (%)
JTRC150	13 - 15	2	16.6	4.2	0.05
JTRC173	4 - 5	1	16.6	5.6	0.02
PRC010	50 - 54	4	14.2	19.0	0.15
HRC01	15 - 17	2	15.4	3.5	0.05
HRC01	32 - 46	14	16.8	3.8	0.06
HRC03	9 - 20	11	20.8	4.0	0.03
HRC04	4 - 6	2	19.4	8.9	0.03
HRC05	4 - 10	6	20.9	4.5	0.03
HRC05	14 - 20	6	20.6	3.6	0.04
HRC05	22 - 42	20	23.8	4.0	0.06
HRC05	46 - 56	10	29.2	5.4	0.07

(all holes drilled 60°, samples split with 3 stage splitter. Downhole lengths, true width unknown. Analysis by Genalysis via XRF.)

Table 2: Significant Fe results (using 20% cut-off)

Drill Hole No.	Interval (m)	Metres	Grade (% Fe)	Grade P (%)
JTRC161	14 - 25	11	30.5	0.21
JTRC162	43 - 51	8	24.1	0.14
JTRC163	39 - 49	10	27.2	0.21
JTRC163	52 - 60	8	26.7	0.16
JTRC164	39 - 60	21	23.2	0.27
JTRC166	4 - 38	34	35.6	0.18
JTRC170	9 - 21	12	25.9	0.31
PRC005	30 - 40	10	30.3	0.20
PRC010	13 - 24	11	46.6	0.46
PRC010	34 - 46	12	33.6	0.35
PRC011	14 - 26	12	24.5	0.18
HRC05	13 - 17	4	43.1	0.15

(all holes drilled 60°, samples split with 3 stage splitter. Downhole lengths, true width unknown. Analysis by Genalysis via XRF.)