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Exploration Update

HIGHLIGHTS

- **Costeaming & auger sampling at Litchfield Lithium Project planned to commence in coming weeks**
- **IP surveys completed at Percyville Gold Project highlighting significant drilling targets**
- **Drilling at Percyville planned to commence in early November**

Monax Mining Limited (**Monax** or **the Company**) is pleased to provide an exploration update on the Litchfield Lithium Project in the Northern Territory and Percyville Gold Project in northern Queensland.

Litchfield Lithium Project

Mapping and sampling by Monax has outlined four main zones of pegmatites within the eastern part of the Litchfield project area (see Figure 3). Each pegmatite zone is characterised by zones of discontinuous outcrop and subcropping quartz which are up to 3.5 km in length.

Monax has submitted a Mining Management Plan for costeaming at the White Rocks site and auger sampling within the southern part of the project area which has been approved pending the payment of a security bond. The costeaming and auger sampling program are due to commence within the coming weeks and will take approximately 1-2 weeks to complete.

Percyville Gold Project

Monax has completed two types of Induced Polarisation surveys (Gradient Array and Dipole-Dipole) over the project area to test the prospective horizons which have a north-easterly strike (see Figure 4). Importantly, the chargeability trends identified in the surveys reflect the sampled outcrop whereby the northern samples lie beside the chargeability contact whilst the southern samples are generally located in the middle of the elevated chargeability (see Figure 5).

The observed Dipole-Dipole data displays strong resistivity in the centre of the traverse with increased conductivity towards the eastern margin. The complex nature of the chargeability indicates that there are multiple chargeable sources below the traverses.

The northern line (20,000n) has a small chargeable body that is interpreted as the down dip source of the sampled outcrop. It would appear from the resistivity model that this is adjacent to a fault (moderate conductor). The southern line (19850n) has a similar chargeable feature which is highly encouraging as the surface samples have depth extent and can be tested with relatively shallow drilling (see Figure 6).

The larger deep chargeable bodies are well supported by the observed data and may reflect a deeper sulphide-rich source which will also be tested by drilling in the upcoming program.

In August 2016, Monax announced that it had signed a binding term sheet with the owner of ML30216 and EPM25370. Laboratory assay results for 35 samples collected within ML30216 reported gold up to 62.5 g/t gold and silver up to 620 g/t (see ASX Release 24 August 2016 for details).

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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."



Figure 1: Location of Monax Projects

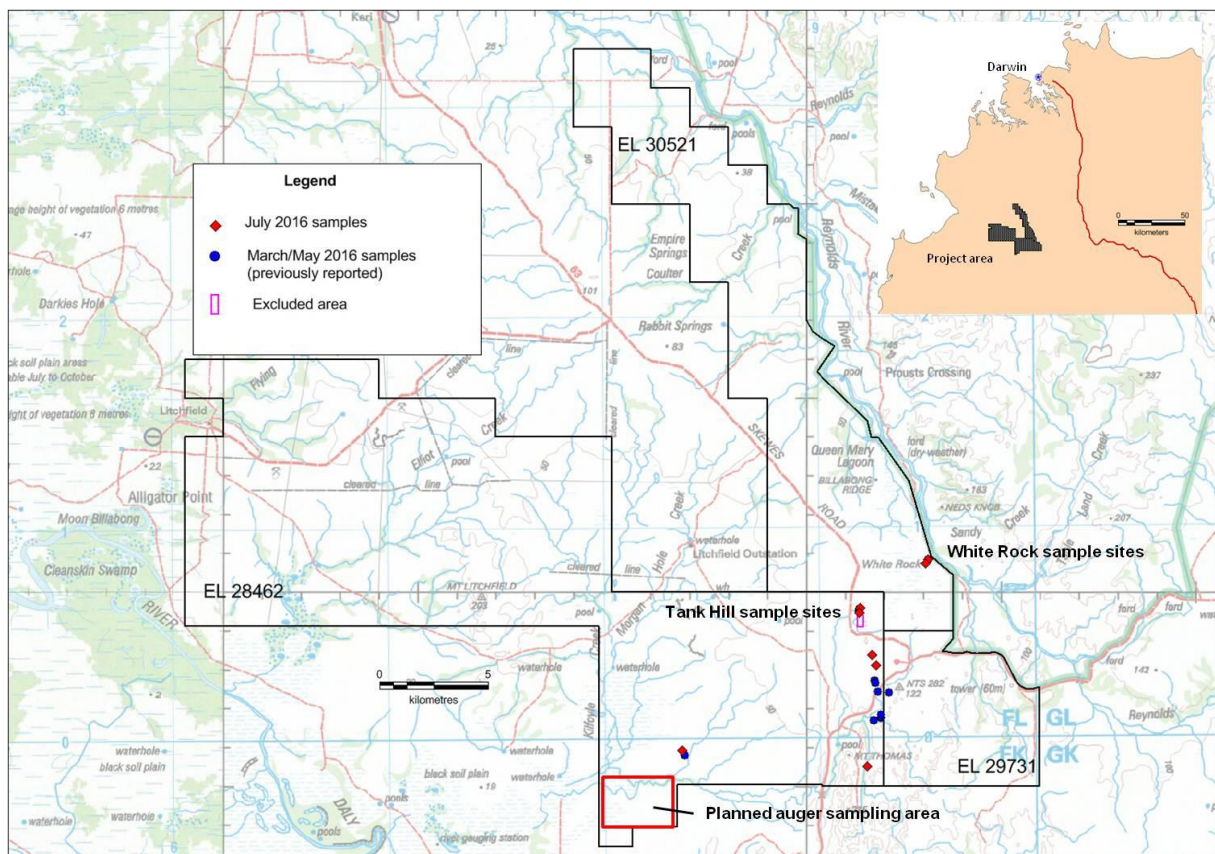


Figure 2: Location of Litchfield Project including sampling locations.

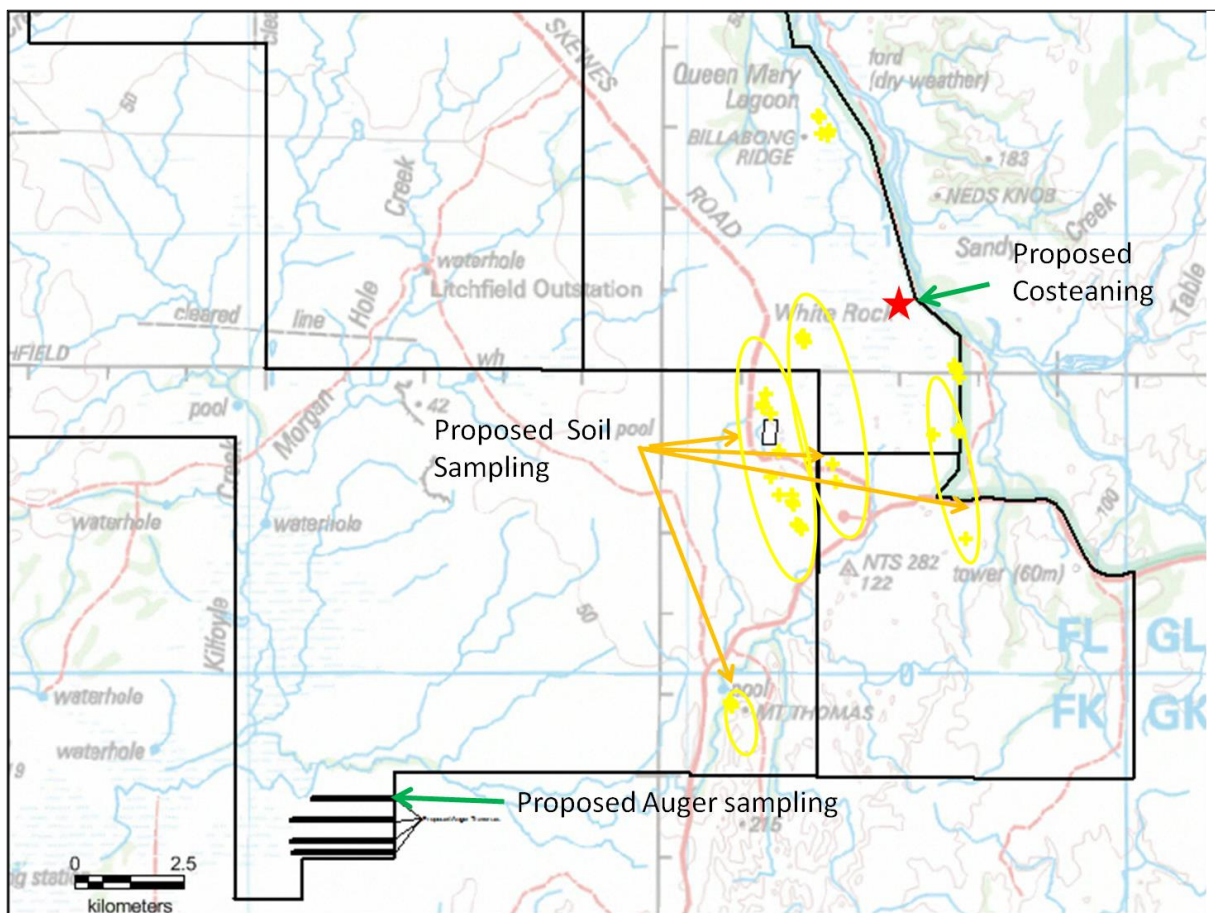


Figure 3: Proposed sampling programs – Litchfield Project

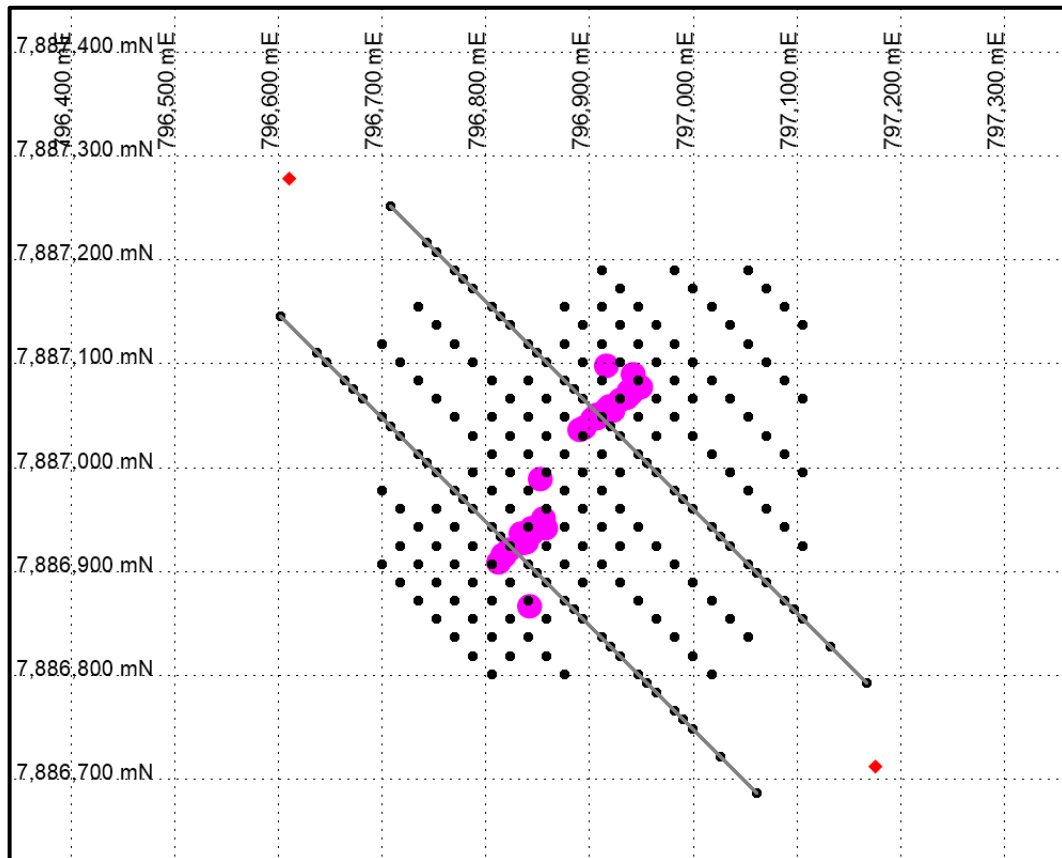


Figure 4: location of the gradient array stations and Dipole-Dipole IP traverses, along with the surface samples (pink circles). Note the gradient array transmitter pits are displayed as red diamonds.

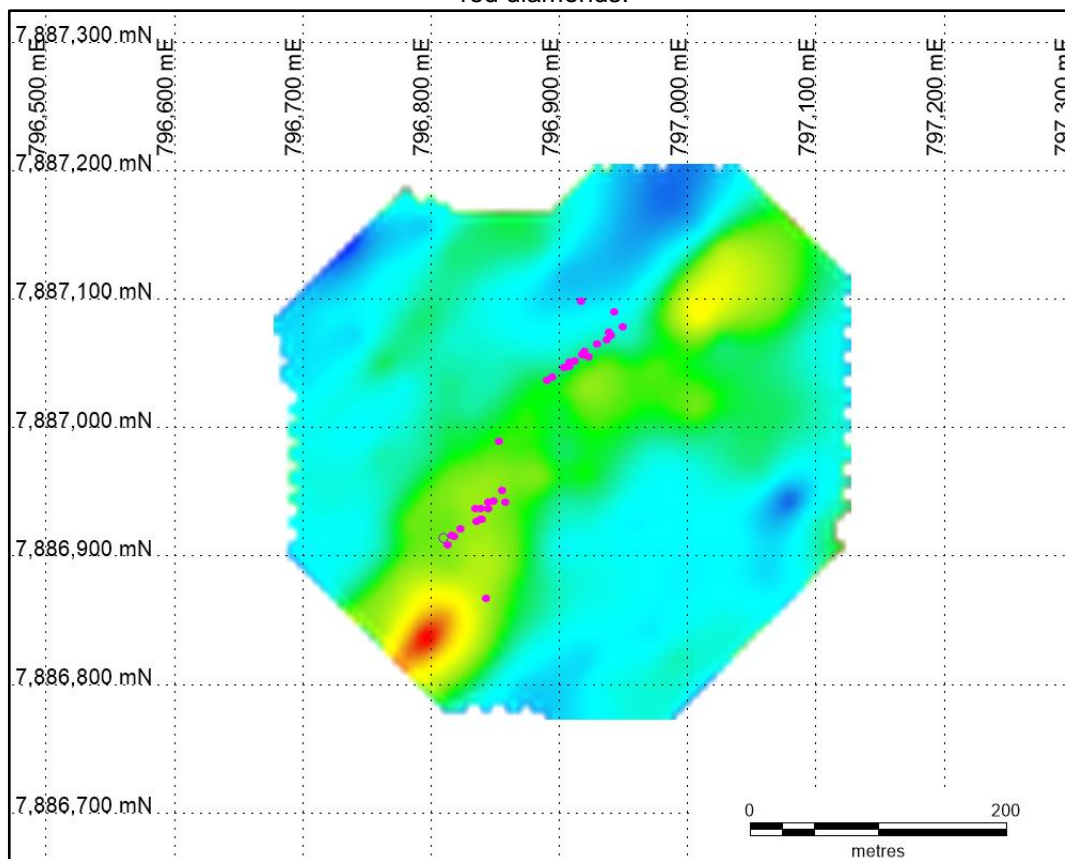


Figure 5 : the gradient array chargeability data image with the surface samples overlain. (Note significant chargeable feature located south of outcropping veins.

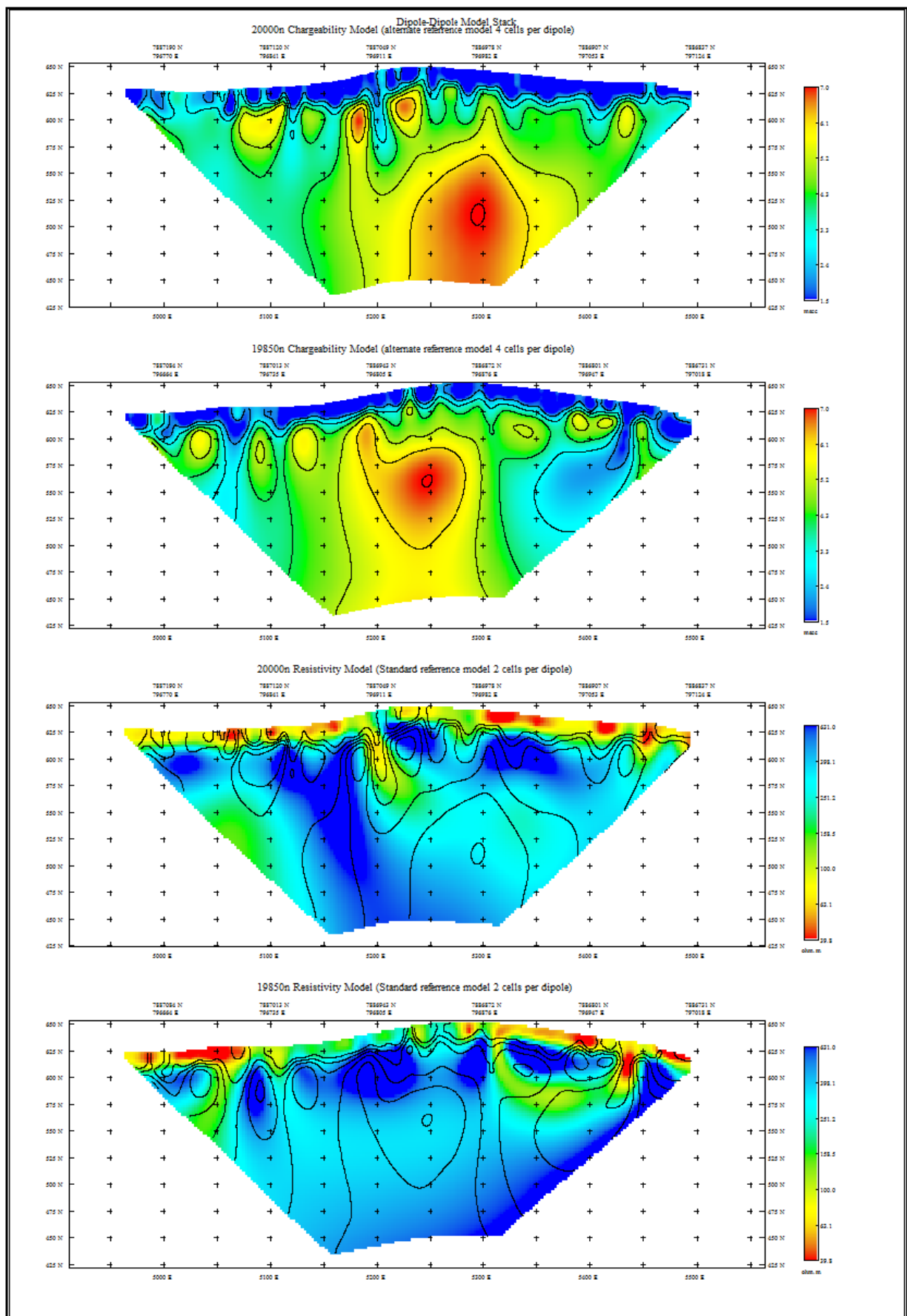


Figure 6: 2D model stack for two dipole-dipole lines: chargeability model is 4 cells per dipole alternate seed/reference models, the resistivity is standard 2 cells per dipole model

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"> 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 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. 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 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. 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.
<i>Logging</i>	<ul style="list-style-type: none"> 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. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.
<i>Sub-sampling techniques and sample</i>	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.

Criteria	JORC Code explanation	Commentary
<i>preparation</i>	<p><i>whether sampled wet or dry.</i></p> <ul style="list-style-type: none"> <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> 	
<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"> Not Applicable – no drilling results reported.
<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"> Not Applicable for induced polarisation (IP) survey. IP data was collected using GDA94 (Zone 54). Location data was collected using a differential GPS.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> The gradient array data was collected using a 25m dipole separation along 50m spaced traverses with varying length. Additionally, two Dipole-Dipole IP traverses (19850n and 20000n) were completed crossing the mapped prospective horizon. The Dipole-Dipole traverses were collected using 25m receiver dipoles with a 50m transmitter dipole. These Dipole-Dipole IP traverses were collected with a “static” receiver spread and the transmitter dipole passing through the spread with a 1/2 dipole offset utilising 50m transmitter station moves.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Not applicable – data not used for resource estimation. Not Applicable for induced polarisation (IP) survey.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 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. 	<ul style="list-style-type: none"> Not Applicable for induced polarisation (IP) survey.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Not Applicable for induced polarisation (IP) survey.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Not Applicable for induced polarisation (IP) survey.

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 IP survey was undertaken on Mining Lease ML 30216 which is owned 100% by Allyn Zabel. Allyn Zabel has a deal whereby he has transferred 50% of the rights for ML 30216 to S & M Foster. The tenement is free of any known impediments.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> A review of historical company exploration found no exploration focussed on the area within ML 30216.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Quartz vein gold
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 	<ul style="list-style-type: none"> Not Applicable – no drilling results reported.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	
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 have been previously released (see ASX Release 24 August 2016 for full details)
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 have been previously released (see ASX Release August 24 2016 for full details)
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"> Other data not considered material
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Monax is planning a drilling program to test the outcomes of the IP survey.