

You will not be able to access an Application Form until at least seven days after the Prospectus Date. The Company will not accept an application for Shares before the end of that seven day period.

The purpose of the seven day period is to give market participants the opportunity to examine the Prospectus before the Company accepts any application for Shares. The seven day period may be extended by ASIC to up to 14 days.

MONAX MINING LIMITED

ACN 110 336 733

PROSPECTUS

DATED 12 JULY 2005

The Company is offering for issue, up to 25 million Shares at an issue price of 20 cents each to raise up to \$5 million.

CORPORATE DIRECTORY

Directors

Bob Kennedy – Non Executive Chairman
Neville Alley – Executive Director
Reg Nelson – Non Executive Director
Glenn Davis – Non Executive Director

Secretary

Dom Cosentino

Independent Accountants

Grant Thornton

Lawyers to the Company

DMAW Lawyers

Share Registry

Computershare Investor Services Pty Ltd

Registered Office

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UNLEY SA 5061

Contact Details

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Web: www.monaxmining.com.au

Proposed ASX code: MOX

IMPORTANT NOTICE

This Prospectus constitutes only general advice and does not take into account your individual investment objectives, financial situation or particular needs. The Company encourages you to seek independent financial and taxation advice before making a decision about whether to subscribe for Shares in this Offer. You should also have regard to the Summary of Risks in section 3.5 of this Prospectus. An investment in the Offer should be considered speculative.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

A copy of this Prospectus has been lodged with the Australian Securities & Investments Commission ('ASIC'). ASIC takes no responsibility for the content of this Prospectus.

KEY DATES

Offer opens	20 July 2005
Offer closes	31 August 2005
Expected date of allotment of Shares	7 September 2005
Expected date of issue of shareholder statements	16 September 2005
Expected date of ASX listing	21 September 2005

All dates are indicative only and are subject to change. The Company reserves the right to close the Offer early, extend the Offer or to withdraw the Offer without notice.

MONAX MINING LIMITED
ACN 110 336 733

140 Greenhill Road
UNLEY SA 5061

Tel: (08) 8373 5588
Fax: (08) 8373 5917

Dear Investor,

I invite you to invest in Monax Mining Limited (*'Monax'*) which has assembled tenements in the Gawler Craton of South Australia, giving investors a rare opportunity to exposure to uranium, nickel, copper, gold, zinc and other metals, which will be owned 100% by the company.

Cornerstone Investor

Monax has reached an agreement with a cornerstone investor, the highly successful explorer Havilah Resources NL (*'Havilah'*), through which Havilah has acquired 10% of Monax and is transferring a 100% interest of what the Directors believe are highly prospective Parndana, Western River and Mattaweara tenements to Monax. Havilah has chosen as its chief exploration focus the Curnamona Craton, where it has achieved considerable success in discovering a copper-gold resource at Kalkaroo.

As part of the transaction Monax and Havilah have negotiated a 1:3 priority offer to Havilah shareholders. We welcome Havilah shareholders and look forward to their participation in what we believe will be a successful exploration company.

We consider the transferred tenements to be highly prospective: they include the zinc-lead prospective Parndana EL 2725 and Western River EL 3088 tenements on Kangaroo Island and the copper-uranium-gold prospective Mattaweara EL 2964, located 40 km northwest of the world class mine, Olympic Dam.

Multi Commodity Approach

We have chosen a multi commodity approach to take advantage of the current world demand for these commodities. The directors have sought and obtained tenements that allow exploration for commodities the prices of which have risen significantly in line with the huge demand for commodities by the emerging economy of China which looks like continuing for some time. Nickel is much needed as indicated by the rise in the price of nickel and the forecast that nickel prices will continue to trend up. Much has been talked about the greenhouse effect and the fact that uranium as a fuel does not add to CO₂ in the atmosphere. Therefore, uranium could become a preferred fuel source as the world grapples with reducing the effect of greenhouse gases. Gold prices have remained strong for some time now and look like continuing that trend. The demand for copper continues to grow, driven by demand in Asia, and zinc, which has languished for the last several years, appears to be entering a sustained growth phase.

Strategic focus on the Gawler Craton

The Gawler Craton has already provided much exploration success producing the world class orebody, Olympic Dam, and recently, the substantial Prominent Hill deposit. We believe that there are more success stories yet to be revealed.

Exploration techniques are helping to roll back the cover that hides potential mineral resources in this prolific province. Over last few years there have been major advances in exploration technologies and, more importantly, in the availability of high quality detailed geophysical and geological data. This has driven a revolution in thinking about the vast regolith covered terrain of the Gawler Craton.

These advances have greatly heightened the potential for finding other world class ore bodies on the Gawler Craton. The advances should enhance the ability of explorers to make discoveries quickly and shorten the lead-time to commercial development.

As the company will acquire 100% of all its tenements it puts us in a position to advance our exploration to where alliances with established miners and processors will assist in bringing discoveries to production.

Exploration Approach

We believe we have an excellent mix of quality tenements, which, in highly prospective regions, are normally difficult to obtain, but we have acquired properties on the highly prospective Gawler Craton and Kangaroo Island and aim to venture into the Musgrave Block. Some of the properties have had previous exploration, others very little. They offer the range of mineralisation styles, which Monax aims to pursue.

Monax Mining will hold a 100% interest in eight properties (ELs and ELAs) on the Gawler Craton totalling 3,957 km², and 100% interest in two ELs on Kangaroo Island along the craton margin totalling 288 km².

Our executive director Neville Alley is well versed in the Gawler Craton and its exploration. Our priorities will be:

- Our flagship Ambrosia project (EL 3358) with excellent Olympic Dam style copper-uranium-gold, rollfront uranium and Tanami style orogenic lode style gold potential, with drill ready targets.
- Moorlands-Mt Hope (EL 3356 and EL 3355) with Archaean greenstone nickel and gold potential and Canadian Abitibi Belt style VHMS zinc-copper-gold potential, and Parndana and Western River projects (ELA 190/2005, previously EL 2725, and EL 3088) have excellent zinc-lead potential. All have drill ready targets.
- Wynbring (EL 3359) has Tanami style orogenic lode gold/Hiltaba Suite style gold potential.
- Eureka Bluff (ELA 59/05) has Olympic Dam style copper-uranium-gold and Tanami style orogenic lode gold potential.
- Dingo Hill (ELA 55/05) with Olympic Dam-style copper-uranium-gold potential.
- Mattaweara (EL 2964) we regard as an Olympic Dam look alike with copper-uranium-gold potential.
- Waddikee (EL 3357) has Tanami style orogenic lode gold and Mt Isa/Broken Hill style base metals potential.

Cost-effective Management

Monax intends to operate with a small but highly experienced management team, supplemented by high calibre consultants and contractors. In this way we will access a broad range of skills to provide a focussed cost-effective management of the company's resources.

Experienced Board

Between the various members of the Board there is much experience in exploration of minerals and corporate finance and legal matters. Government relations, Native Title and Environmental issues rank highly with all members of the Board who see that an effective partnership with these parties will ensure responsible, timely and cost-effective exploration.

Summary: Monax and its Assets

The Directors believe that the following summary sets out what should make Monax a successful exploration company

- Multi Commodity Approach
- Highly prospective tenements in which we will have 100% interest
- Strategic focus on the Gawler Craton
- Clear targets for imminent drilling
- The majority of funds raised will be allocated to exploration
- Highly experienced management and a focussed experienced Board

Invitation to participate

It is with great pleasure that I invite you to take advantage of this Offer to participate in making Monax a successful explorer in the proven Gawler Craton province. I especially invite the Havilah shareholders to take advantage of their priority offer.

We have deliberately included mining in the name of the company as we fully intend to become a miner as soon as possible so join us in the uncovering of what we hope will be significant mineral wealth.

Yours sincerely

RM Kennedy
Chairman

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1. THE MONAX OPPORTUNITY

1.1 HIGHLIGHTS

- We are an energetic and highly competent, small company planning to explore for all minerals, but focussed on the search for world class Olympic Dam style copper-uranium-gold, palaeochannel rollfront uranium, Archaean greenstone nickel and gold, Tanami style orogenic lode gold, Mt Isa/Broken Hill style base metals, Canadian Abitibi Belt style VHMS zinc-copper-gold and Cambrian and structurally controlled zinc.
- Our flagship Ambrosia project (Olympic Dam style copper-uranium-gold, rollfront uranium and Tanami style orogenic lode style gold) and high priority projects Moorlands-Mt Hope (Archaean greenstone nickel and gold and Canadian Abitibi Belt style VHMS zinc-copper-gold) and Parndana (zinc-lead) have drill ready targets.
- Monax has reached an agreement with a cornerstone investor, the highly successful explorer Havilah, through which Havilah has acquired 10% of Monax and is transferring a 100% interest of what the Directors believe are highly prospective Parndana, Western River and Mattaweara tenements to Monax. Havilah has chosen as its chief exploration focus the Curnamona Craton, where it has achieved considerable success in discovering a copper-gold resource at Kalkaroo. We consider the transferred tenements to be highly prospective: they include the zinc-lead prospective Parndana EL 2725 and Western River EL 3088 tenements on Kangaroo Island and the copper-uranium-gold prospective Mattaweara EL 2964, located 40 km northwest of the world class mine, Olympic Dam. As part of the transaction Monax and Havilah have negotiated a 1:3 priority offer to Havilah shareholders.
- We believe Monax is founded on a portfolio with an excellent mix of exploration properties on the Gawler Craton and Kangaroo Island, all having the potential for rapid discovery of economic resources. Its further aim is to utilise its knowledge and contacts to establish a strong position in the nickel-prospective Musgrave Block of northern South Australia. With these strong cornerstones, we will focus on developing joint ventures with major companies, with the aim of creating long term value for our shareholders.
- It will have 100% ownership of all properties, which have the potential to produce world class mineralisation styles.
- We have a clear and immediate plan for the future that we believe will create long term value for shareholders, focus on best practice and maintain good working relationships with the community.
- Our people have wide experience at senior levels in the minerals and petroleum industries in Australia. We are technically highly competent, well respected and leaders in our fields. To this, we bring extensive experience in working with aboriginal people, the community, the environment and Government.

1.2 COMPANY STRATEGY

Monax intends to undertake focussed, innovative and energetic exploration, form joint ventures with major resource groups and make significant discoveries from drill ready targets within two years. On this solid foundation, our objective is that Monax will grow to become a substantial exploration and mining company.

We aim to:

- Have success in discovering Olympic Dam style copper-uranium-gold mineralisation and rollfront uranium from drill ready targets on Ambrosia, our high priority project, and Archaean greenstone style nickel and gold mineralisation in our other high priority Moorlands-Mt Hope tenements;
- From these successes, to focus on developing joint ventures with major companies, creating long term value for our shareholders;
- As a high priority, complete a drilling program on our Kangaroo Island based Parndana Zn-Pb project and quickly advance the project to the resource assessment stage;
- Undertake energetic and highly innovative exploration on all our properties in particular for:
 - Olympic Dam style copper-uranium-gold
 - Rollfront uranium in palaeochannels
 - Archaean greenstone nickel and gold
 - Mt Isa/Broken Hill style base metals
 - Tanami style orogenic lode gold
 - Canadian Abitibi Belt style VHMS zinc-copper-gold
 - Cambrian and structurally controlled, zinc
 - Other mineral styles according to our mineral deposit models;
- Conduct our activities in a responsible and professional manner, seeking best practice in all we do;
- Develop and maintain good working relationships with traditional and all other landowners.

It is our intention to first develop a strong and strategically focussed exploration program in South Australia. From here, we intend to expand our search elsewhere in Australia and overseas.

1.3 OUR FLAGSHIP PROJECTS

We believe that our **flagship project, Ambrosia (EL 3358)**, has Olympic Dam Cu-Au-U style mineralisation potential, with drill ready coincident copper and gold geochemical anomaly targets. It occupies a similar setting to Olympic Dam (O.D.) on the Gawler Craton. In addition to O.D. style Cu-Au-U mineralisation there is real potential for structurally controlled Tanami style orogenic lode gold. There is also considerable potential for palaeochannel hosted rollfront uranium.

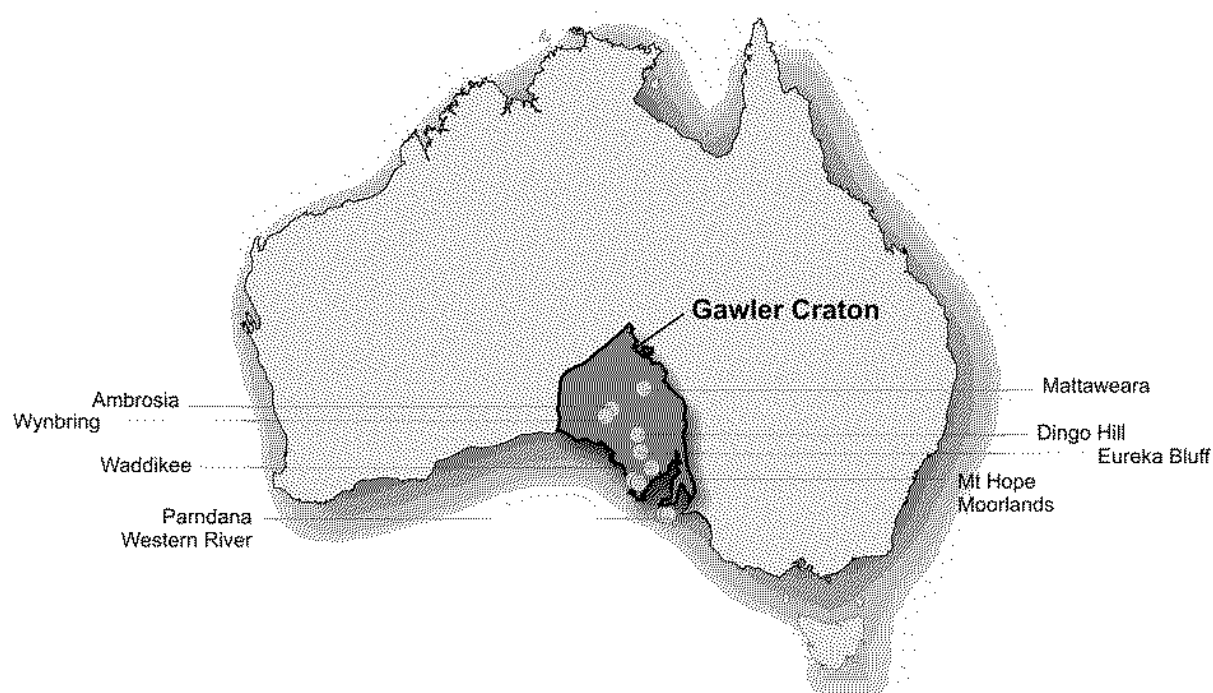


Figure 1 – Location of properties in South Australia

Our second priority project areas are the Archaean nickel and gold Moorlands-Mt Hope (EL 3356 and EL 3355) tenements on southern Eyre Peninsula. This project falls within the recently discovered Coultas Domain, which is similar to the greenstones found in the Eastern Goldfields Province of Western Australia, and has the potential to contain significant Archaean gold and komatiitic nickel deposits. The added value of this project area is that it also has good potential for copper-zinc VHMS style mineralisation. The area is traversed by a number of palaeochannels with granites nearby and thus rollfront uranium is also a distinct possibility.

We have reached an agreement with the highly successful explorer, Havilah, to acquire its **advanced zinc-lead Parndana-Western River prospect (EL 2725 and EL 3088)** on Kangaroo Island. This will allow Monax to rapidly drill out the prospective area on Parndana, where first rate intersections of zinc have previously been encountered, and progress quickly to resource assessment stage if feasible.

1.4 THE DIRECTORS

We are an energetic and highly competent small company planning to explore for Olympic Dam style copper-uranium-gold, palaeochannel rollfront uranium, Archaean greenstone nickel and gold, Mt Isa/Broken Hill style base metals, zinc, Canadian Abitibi Belt style zinc-copper-gold, and Tanami style orogenic lode gold.

While our projects are largely in the highly prospective Gawler Craton in South Australia, we also have an advanced zinc prospect on Kangaroo Island and are keen to gain entry to the nickel-prospective Musgrave Block.

Our people have wide experience at senior levels in the minerals and petroleum industries and Government in Australia. We are technically highly competent and leaders in our fields. To this, we bring extensive experience in working with aboriginal people, the community and the environment.

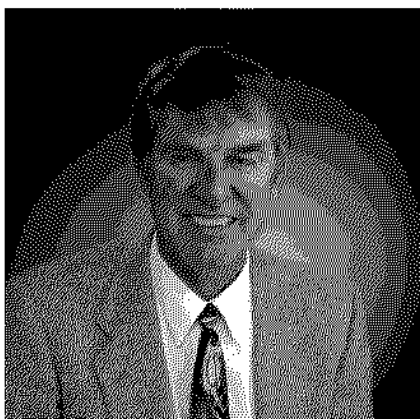


Robert Michael Kennedy, Non-Executive Chairman, is a Chartered Accountant and a consultant to Kennedy & Co., Chartered Accountants, a firm he founded. Mr Kennedy has wide experience in the resources industry and capital raising. He is the Chairman of Beach Petroleum Limited, Flinders Diamonds Limited, Ramelius Resources Limited, Greyhound Racing (SA) Limited, GTL Energy Limited, Maximus Resources Limited and Australian Dance Theatre Limited. He is a Director of the Friendly Societies Medical Association Limited and Greyhounds Australasia.



Mr Reg Nelson, Non Executive Director, is an exploration geophysicist with 36 years experience in the minerals and petroleum industries and Government as Director of the Mineral Development Division (MESA). Reg is Managing Director of Beach Petroleum Limited, a Non Executive Director of GTL Energy Limited, Anzon Energy Limited and Ramelius Resources Limited and Chairman of the Australian Petroleum Production and Exploration Association, the peak national petroleum industry body.

Reg was awarded the Prime Minister's Centenary Medal for services to mining in April 2003. He has extensive experience with high level international negotiations on aspects of the petroleum industry. Reg has been involved in exploration and mining in WA, NT and SA. In addition to his extensive geophysical knowledge, Reg has considerable experience in investigating palaeochannels for rollfront uranium, pioneering some of the exploration methods.



Dr Neville Alley, Executive Technical Director/Chief Executive, is an internationally known earth science researcher and has wide experience in geological mapping and research in Australia and overseas. He formulated the recent research effort to unravel palaeochannel systems in southern Australia. In 2004 he was awarded the Verco Medal for his contribution and leadership in the earth sciences. He has extensive experience at senior levels in Government in Canada and as Director, Minerals, MESA and PIRSA and has a high level understanding of Government policy, regulation and legislation. He was a Member of the Resources Taskforce and made a significant contribution in setting the SA Government's strategies for reinvigorating the minerals industry and led the development of Government initiatives such as TEISA and PACE. Neville has worked closely with Aboriginal people and the community in developing a higher profile for the resources industry. He is also a Non Executive Director of Intermet Limited and a Visiting Research Fellow, School of Earth and Environmental Sciences, The University of Adelaide.



Mr Glenn Davis, Non Executive Director, is a Partner in DMAW Lawyers. Glenn has considerable expertise and experience in capital raisings, capital reductions, acquisitions and takeovers, managed investment schemes, director's duties and the requirements of the Corporations Act and the ASX listing rules. He also has specialist skills and knowledge about the resources industry.

1.5 CORPORATE GOVERNANCE

Introduction

The Directors are committed to maximising performance and generating appropriate levels of shareholder value and financial return. In conducting business with these objectives, the Directors are concerned to ensure that the Company is properly managed to protect and enhance shareholder interests, and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Directors have adopted corporate governance policies and practices designed to promote responsible management and conduct of the Company.

The Directors have established three committees of Directors, the Audit Committee, the Remuneration Committee and the Nominations Committee, responsible for considering specific issues and making recommendations to the Directors.

Audit Committee

The role of the Audit Committee is to provide advice and assistance to the Directors to allow it to:

- fulfil its audit, accounting and reporting obligations;
- monitor the performance and independence of the Company's auditors;
- monitor compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial results; and
- fulfil its responsibilities relating to financial statements, internal accounting and financial control systems.

The Audit Committee will meet at least four times a year and report regularly to the Directors. The Audit Committee has direct access to any employee, the auditors or any other independent experts and advisers as it considers appropriate in order to ensure that its responsibilities can be carried out effectively.

Remuneration Committee

The role of the Remuneration Committee is to provide recommendations to the Directors on matters including:

- appropriate remuneration policies and monitoring their implementation including with respect to executives, senior managers and non-executive directors;
- incentive schemes designed to enhance corporate and individual performance; and
- retention strategies for executives and senior management.

The Remuneration Committee will meet at least once a year and at such other times as the chairman of that committee considers necessary.

Nominations Committee

The role of the Nominations Committee is to provide recommendations to the Directors on matters including:

- composition of the board of Directors and competencies of the Directors;
- appointment and evaluation of the Managing Director;
- succession planning for board members and senior management; and
- processes for the evaluation of the performance of the Managing Director and other Directors.

Communication with Shareholders and the Market

The Company is committed to:

- ensuring that shareholders and the financial market are provided with timely disclosure about its activities;
- fully complying with continuous disclosure obligations contained in applicable Listing Rules and the Corporations Act; and
- ensuring that all investors have equal and timely access to material information concerning the Company.

Information is communicated to shareholders through the distribution of the annual report and whenever there are other significant developments to report. In addition, all information released to ASX pursuant to the Company's continuous disclosure obligations will be posted on the Company's website www.monaxmining.com.au, as soon as possible following disclosure to ASX.

Securities Trading Policy

All the Company's officers, employees and directors are prohibited from dealing in any of the Company's securities, except while not in possession of unpublished price sensitive information. It is also contrary to the Company's policy for directors and employees to be engaged in short term trading of the Company's securities.

Directors and employees are prohibited from dealing in the Company's securities during specified periods prior to the release of the Company's results or before the AGM.

Directors must obtain the approval of the Chairman and employees the approval of the Company Secretary prior to dealing in the Company's securities.

1.6 OUR PROPERTIES

We have an excellent mix of properties on the Gawler Craton and Kangaroo Island and aim to venture into the Musgrave Block. Some of the properties have had previous exploration, others very little. They offer the range of mineralisation styles, which Monax aims to pursue.

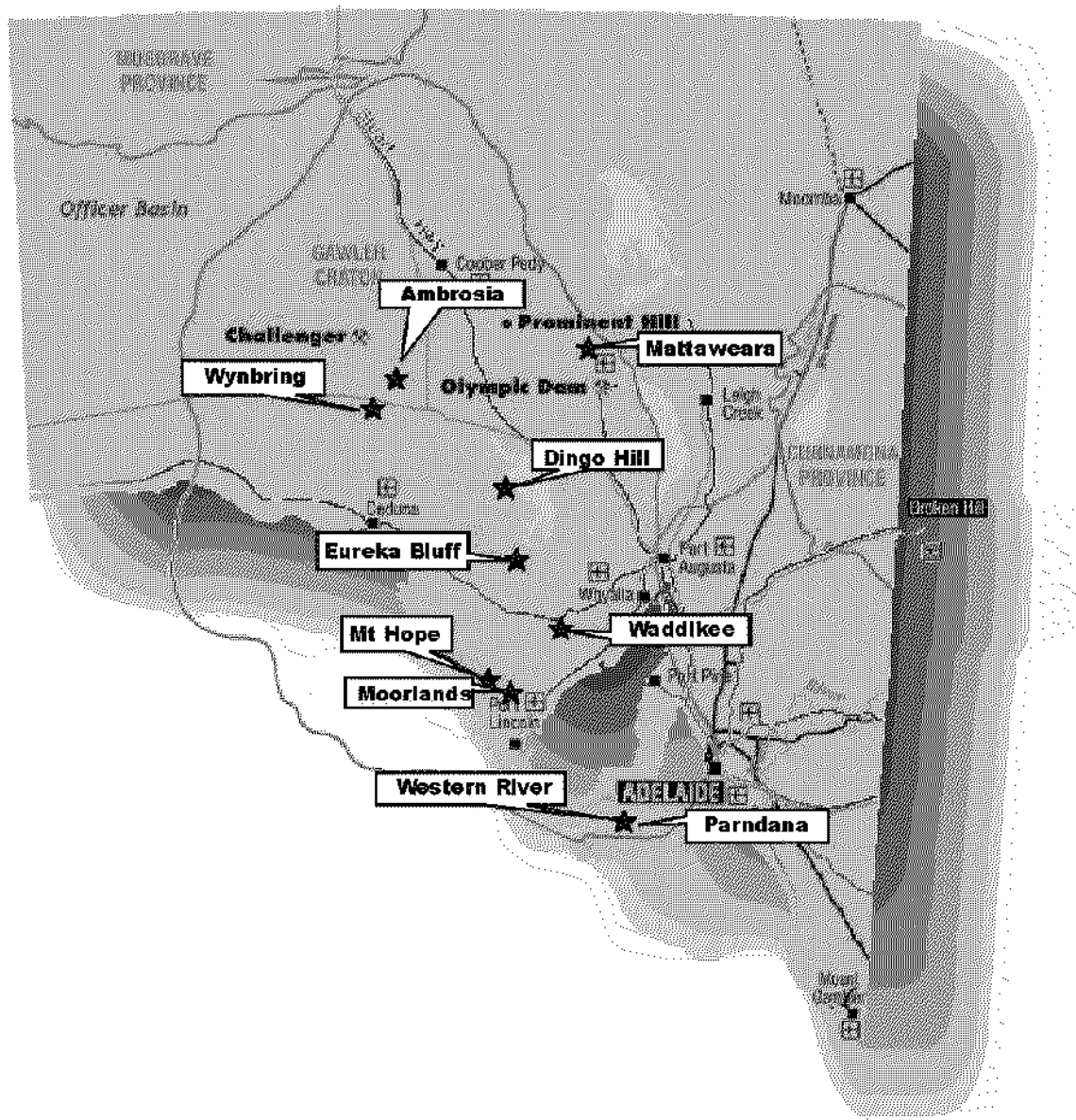


Figure 2 – Location of properties in relation to significant mines on the Gawler Craton

Monax Mining will hold a 100% interest in eight properties (ELs and ELAs) on the Gawler Craton totalling 3 957 km², and 100% interest in two ELs on Kangaroo Island along the craton margin totalling 288 km².

The geological understanding of the Gawler Craton has made huge advances in the last five years and one significant copper-uranium-gold deposit has been discovered at Prominent Hill in that time. We now know the craton is highly prospective for a range of minerals including Cu, Au, U, Ni, Ag, Pb, Zn, Pt, Pd, REE, Sn, Cr and iron ore. Not only is there potential for these minerals in bedrock hosted styles but also in Tertiary palaeochannel settings, some of which occur on our properties. These channels are prospective particularly for rollfront uranium and gold and are an important source of groundwater.

Our Gawler Craton tenements have the potential to produce world class Olympic Dam style copper-uranium-gold deposits, Archaean greenstone style nickel and gold deposits similar to the Eastern Goldfields of WA, Canadian Abitibi Belt Archaean VHMS style Zn-Cu-Au deposits and Broken Hill-Mt Isa style base metal deposits. Some of these tenements also have high potential for Beverley style rollfront uranium in palaeochannel systems.

1.7 EXPLORATION STRATEGY

Mineral potential – Gawler Craton

There is yet considerable scope for mineral exploration and discovery in Australia. We are persuaded by the huge potential in South Australia, in particular the Gawler Craton and Musgrave Block.

The regolith cover in South Australia has long been the bane of explorers. It has meant that exploration has been slow and frustrating. However, the discovery of the large concealed mineral deposits at Olympic Dam and Prominent Hill, on the Gawler Craton, indicates huge mineral potential still remains. The area is vast and compared to other parts of Australia, poorly explored.

Impacts of advances in technology and knowledge

Over the last few years there have been major advances in exploration technologies and, more importantly, in the availability of high quality detailed geophysical and geological data. This has driven a revolution in thinking about the vast regolith covered terrain of the Gawler Craton. For the first time high quality coherent solid geology maps of the Craton have been interpreted from these data.

There are now complete maps of aeromagnetism and reasonable gravity coverage such that 3D models can be constructed, further enhancing understanding of the Craton and how it works. The major structural elements of the Craton are now understood and the dating of rocks has advanced to a stage where there is confidence in the timing of earth movements. The greater certainty about the ages of key events, including mineralising systems, and how rocks relate to other geological regions in Australia has, in our view, recently enhanced the prospectivity. For example, we now clearly know that there are significant areas of Ni and Au prospective Archaean greenstones on the Gawler Craton, similar to eastern Goldfields of Western Australia.

These advances have greatly heightened the potential for finding other world class ore bodies on the Gawler Craton. The advances should enhance the ability of explorers to make discoveries quickly and shorten the lead-time to commercial development.

Our strategies

Monax believes it has the unique set of skills and experience to undertake innovative and successful exploration in South Australia. We claim strong expertise in Gawler Craton geology, palaeochannels, geophysical exploration techniques and modelling such that we have been able to select highly prospective project areas, some with drill ready targets. We have developed a program of exploration led by our flagship projects.

Our flagship project, Ambrosia (EL 3358), has Olympic Dam (O.D.) Cu-Au-U style mineralisation potential, with drill ready coincident copper and gold geochemical anomaly targets. It occupies a similar setting, in our view, to Olympic Dam on the Gawler Craton. In addition to O.D. style mineralisation there is real potential for structurally controlled Tanami style orogenic lode gold. There is also considerable potential for palaeochannel hosted rollfront uranium. Monax's Chief Executive, Dr Neville Alley, is a nationally known expert on Gawler Craton palaeochannels and chose this tenement because of the presence of a large palaeochannel and potentially "hot" Hiltaba Granite on Ambrosia and the surrounding region, together producing high potential for rollfront uranium. Non Executive Director Mr Reg

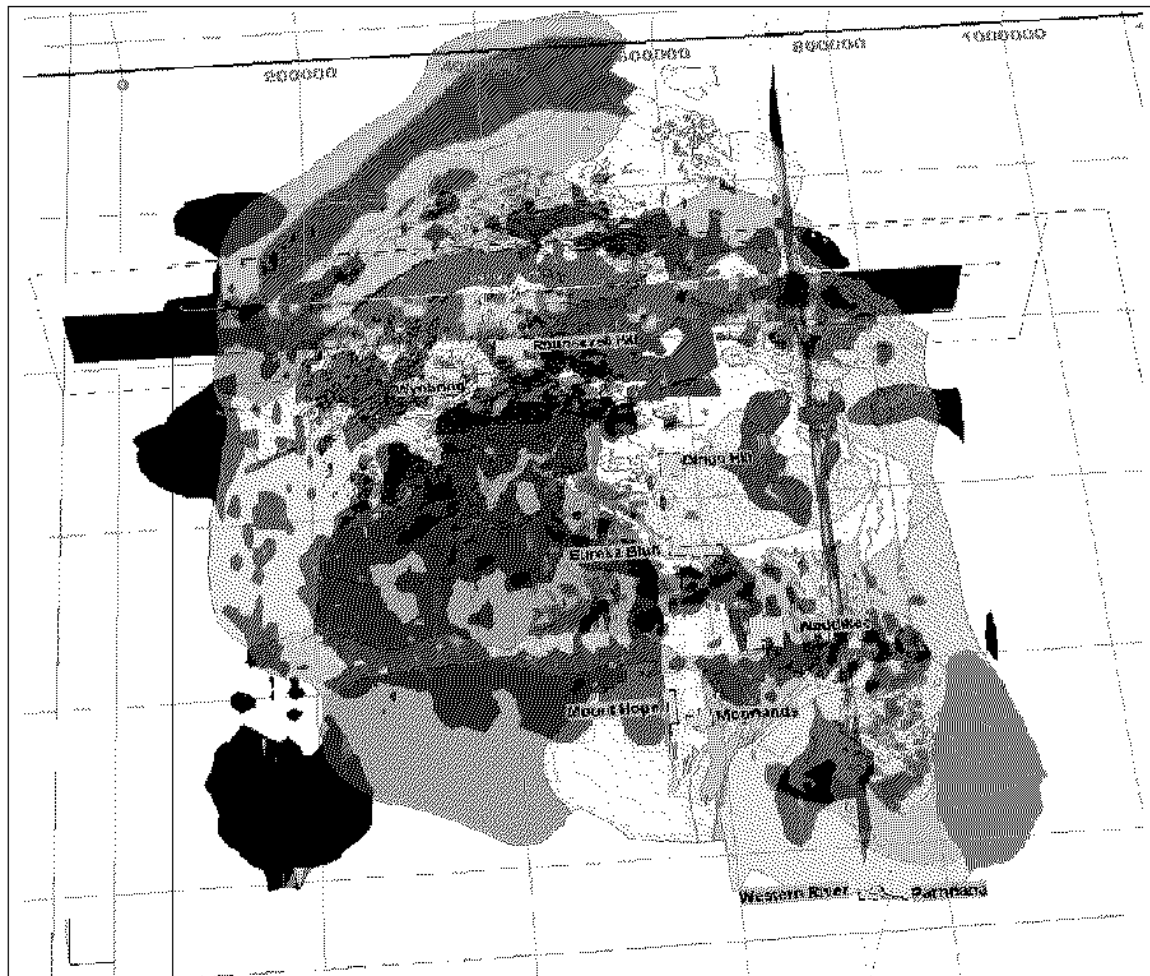
Nelson's experience in channel exploration using diverse geophysical methods is expected to play a vital part in the channel exploration program.

Our second high priority project areas are the Archaean nickel and gold Moorlands-Mt Hope (EL 3356 and EL 3355) tenements on southern Eyre Peninsula. This project falls within the recently discovered Archaean Coultas Greenstone Domain which is similar to the greenstones found in the Eastern Goldfields Province of Western Australia, and has the potential to contain significant Archaean gold and komatiitic nickel deposits. Unlike the Eastern Goldfields Province, very little exploration has been carried out in this area. There are numerous magnetic anomalies, which may represent komatiite sequences and are thus drill ready targets. The added value of this project area is that it also has good potential for copper-zinc Canadian Abitibi Belt VHMS style mineralisation. The area is traversed by a number of palaeochannels with granites nearby and thus rollfront uranium is also a distinct possibility.

We have reached an agreement with the highly successful explorer, Havilah, to acquire three of its tenements, the advanced zinc-lead Parndana-Western River prospect (EL 2725 and EL 3088) on Kangaroo Island, our third priority project, and the Olympic Dam look-alike, Mattaweara, on the Gawler Craton 40 km northwest of Olympic Dam. This will allow Monax to rapidly drill out the prospective area on Parndana, where there are first rate zinc intersections, and progress quickly to the resource assessment stage if necessary. At the same time it will allow Havilah to concentrate on its Curnamona tenements, but retain an interest in Kangaroo Island and Mattaweara through its shareholding in Monax.

We plan to use highly predictive mineralisation models to allow efficient cost effective exploration of Monax's overall tenement package. Use of advanced software, such as 3D visualization, GIS and predictive mineral modelling, will assist in generating further sound targets for drill testing. We believe that, with the blend of our technical competencies, local knowledge, experience in advanced exploration technologies and geological concepts, we will make discoveries.

The project areas are well covered by Government airborne survey data. Monax will enhance this valuable resource by undertaking infill aeromagnetic and gravity surveys where required. Regional and focussed geochemical surveys (in particular calcic) and surficial geological (regolith) surveys combined with the airborne data will be used to help define areas and targets for focussed EM, IP and drilling programs. We intend to take advantage of any leading edge technology, concepts and research groups to aid in our search for ore bodies. Our industry experience and contacts will be of considerable value in this.



3D gravity model of the Gawler Craton

Figure 3 – A 3D gravity model of the Gawler Craton

Our exploration programs will be driven by our mineralisation models, which are based on many years of research and experience by members of our team:

Olympic Dam Style (Cu-U-Au-Ag-REE) e.g. Olympic Dam and Prominent Hill.

Analogues are likely to be sited on major crustal scale faults active at the time of mineralisation, and we will seek evidence of persistent Gawler Range volcanism or high level Hiltaba Suite mafic or felsic magmatism, accompanied by evidence of a high crustal level/near surface environment of formation and regional iron oxide and sodium alteration. Local multiphase fluid brecciation and haematite, chlorite, silica and sericite alteration should also have occurred. The haematite-rich orebody will have a distinct gravity anomaly and possibly a magnetic anomaly reflecting magnetite and/or mafic/ultramafics at depth.



Olympic Dam mineralisation in drillcore (this is not an asset of the Company but the style of mineralisation has potential on some Monax properties)

We believe the marginal zones of the Gawler Range Volcanics have many of these characteristics and have selected a number of our properties for this style including our flagship project Ambrosia and Mattaweara, Eureka Bluff and Dingo Hill projects.

Palaeochannel Hosted Roll Front Uranium e.g. Beverley, Honeymoon and Warrior.

Members of the Monax team have been involved in high-level research on the numerous Tertiary palaeochannels, which dissect the Gawler Craton and thus interpret that this style of uranium mineralisation (and probably sedimentary gold) has the potential on our flagship property Ambrosia and probably Wynbring, Eureka Bluff and Moorlands-Mt Hope as well. Among the basement rocks, radiogenic granites of the Hiltaba Suite form a good source for palaeochannel infill and uranium. The palaeochannel systems are highly charged with groundwater and contain sediments with high organic content, forming a good trap for uranium. Historical uranium exploration on the Gawler Craton has identified numerous occurrences of this style of mineralisation within palaeochannels (eg. Narlabby, Wynbring, Kingoonya and Mulgathing channels) and the Warrior prospect occurs within the vicinity of our Ambrosia and Wynbring projects.

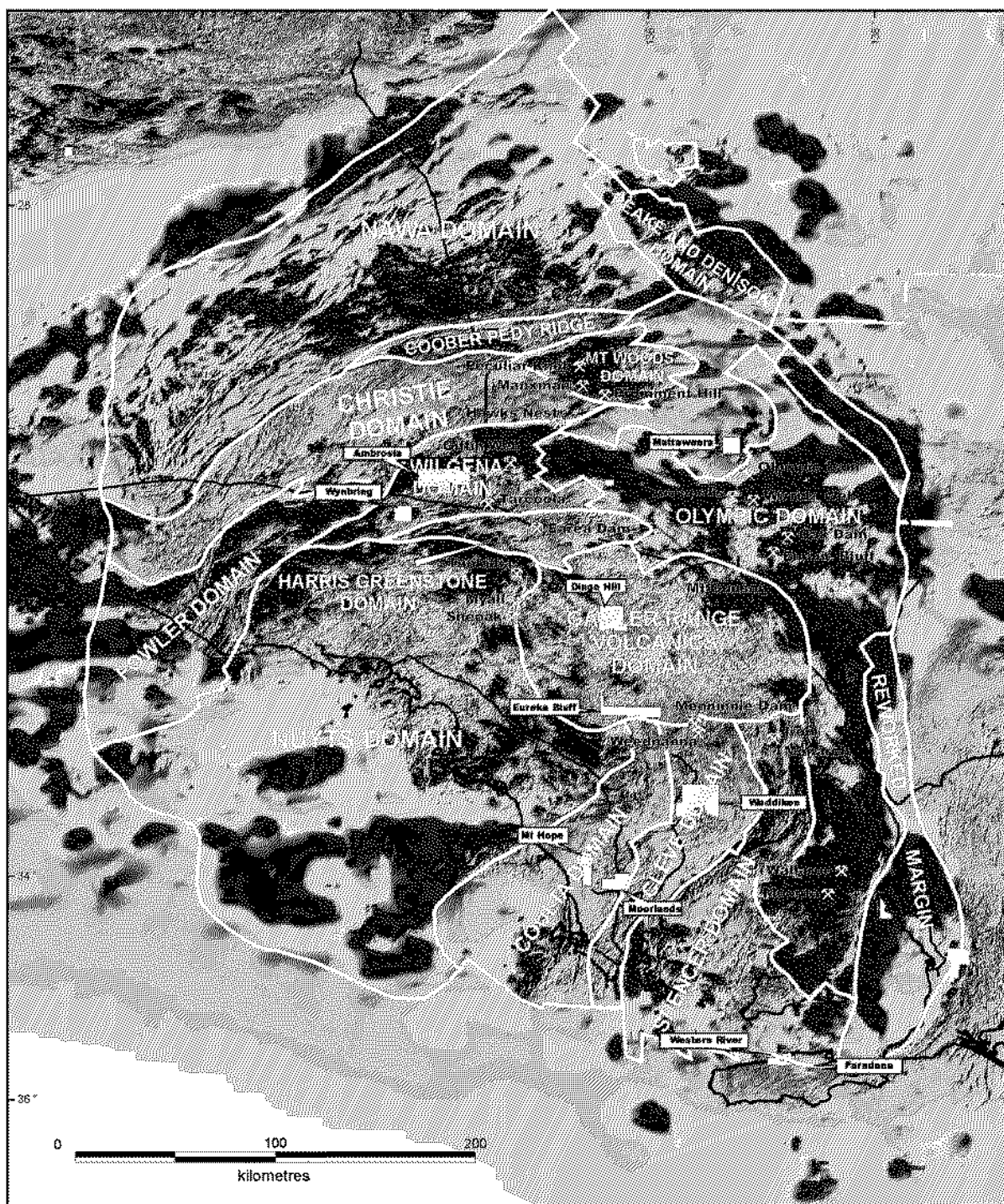


Figure 5 – Geological domains on Total Magnetic Intensity map of the Gawler Craton.

Cambrian and Structurally Controlled Zinc and Lead (Zn-Pb)

High-grade, structurally controlled zinc mineralisation occurs in Cambrian carbonate rocks in a number of areas in South Australia. Long-lived basement controlled structures are considered prospective particularly where there has been structurally focussed hydrothermal alteration. Our high priority Parndana-Western River project area is one such occurrence, where Havilah has already discovered high grade intersections of zinc during shallow exploration drilling (see below).

Mt Isa/Broken Hill Style (Cu-Pb-Zn-Ag) e.g. Mt Isa, Broken Hill and Cannington.

These ore bodies are in regional chemical and clastic rift sequence sediments and the host sediments are characteristically dolomitic, pyritic carbonaceous siltstones, with total organic carbon values of up to 7%. Geochemically they contain elevated regional manganese and base metal anomalism and there is a local alteration halo of manganese rich garnet and gahnite in metamorphosed environments. Discrete gravity anomalies would be a prime target within the prospective sequence.

Our Waddikee property is highly prospective for this style.

Tanami Orogenic Lode Gold/Hiltaba Suite Style (Au) e.g. Tanami Gold Province (Callie, The Granites and Dead Bullock Soak)

Strong structural control is the key to recognising the potential for this style in the Gawler Craton, with the structures being active at the time of emplacement of Hiltaba Suite granites. We note that there is an outer chlorite, haematite and epidote alteration along with proximal sericite, pyrite and silica alteration. These should provide evidence for the passage of mineralising fluids. For example, magnetite destruction along shear zones is one of the targeting criteria. A regional seal to the hydrothermal system, such as the Gawler Range Volcanics, if present, would be important because this would produce the potential for a long-lived, concentrated mineralising system capable of forming large deposits. The presence of structurally dilatant zones and/or reactive lithologies, such as iron formations, graphitic schists and carbonates is also considered important.

We interpret that this style will occur in our flagship property Ambrosia and Wynbring, Eureka Bluff, Dingo Hill and Waddikee properties.

Archaean VHMS (Zn-Cu-Au)

We have recognised the strong potential for this mineralisation style and Archaean greenstone mineralisation (see above) on southwestern Eyre Peninsula and have acquired Moorlands and Mt Hope properties on that basis. The areas have geology comparable to the region in the Canadian Abitibi Belt that contains significant high-grade deposits of this style. These areas include amphibolite-facies metasediments with interlayered acid and basic Archaean Hall Bay Volcanics containing anomalous copper, zinc and gold. Manganese rich garnets and gahnite indicate proximal alteration assemblages. Since VHMS deposits are good electrical conductors they should prove amenable to exploration by ground based and airborne electromagnetic techniques.

1.8 PROJECTS

GAWLER CRATON

Flagship Project Ambrosia EL 3358 (Monax 100%)

Olympic Dam style copper-uranium-gold, palaeochannel-hosted rollfront uranium and Tanami orogenic lode style gold potential

The project area covers 854 km² of pastoral lease land over Archaean granite and gneiss, Proterozoic syntectonic granites to diorites, Hiltaba Suite granites and Gawler Range Volcanics. Extensive Tertiary palaeochannel systems occur in and around the property.

Geology and exploration potential

We believe the geological setting is prospective for both Olympic Dam style copper-uranium-gold deposits, Tanami orogenic lode gold/Hiltaba Suite style gold deposits and palaeochannel hosted roll front uranium.

Olympic Dam style copper-uranium-gold

Ambrosia occupies a similar position to Olympic Dam on the margin of the Gawler Craton and has excellent potential for Olympic Dam style of mineralisation. The project area contains a number of coincident gold and copper in calcrete anomalies, which present immediate drill targets. These will be our first targets.

The area is located on the northwestern margin of the Gawler Range Volcanics, a rock suite that we interpret may have formed an impermeable cap or lid to hydrothermal systems operating in the region. This cap potentially formed a seal for mineralising fluids, promoting a sustained hydrothermal system. Zones of demagnetisation along structures suggest alteration and escape of these fluids from the sealed system. This setting has the potential to form large mineral deposits due to the focussing of mineralising fluids over a long time span.

Palaeochannel hosted roll front uranium

The Mulgathing Palaeochannel runs north-westwards through the project area and has very high potential to host rollfront style uranium deposits. Research has shown that the Tertiary palaeochannels in the region are highly charged with groundwater and contain significant thicknesses of pyritic-rich lignitic sand and other sediments. Potentially uranium-bearing Hiltaba Suite granites occur within and around the property. All these factors indicate to us that the setting is ideal for the formation of rollfront uranium deposits.

Uranium deposits of this style have already been identified nearby, with the Warrior uranium prospect occurring 25km south in a similar geological setting. We know from our ongoing research on palaeochannels that more channels are likely to be present in the project area than are shown on published maps. Our confidence in the area is strongly supported by historical uranium exploration, which has defined large areas of anomalous uranium mineralisation within the region (Narlaby, Wynbring, Kingoonya and Mulgathing Palaeochannels).

Tanami Style Orogenic Lode Gold/Hiltaba Suite style gold

Within the project area and the surrounding region Hiltaba Suite granites are potentially a proximal source for mineralising fluids. Northeast-southwest and conjugate northwest-southeast structures, active at the time of Hiltaba Suite intrusion, could have provided a pathway for the transport on these fluids. Structures with NW-SE orientations are favourable for the production of zones of structural dilatancy and are thus potential depositional sites for gold mineralisation.

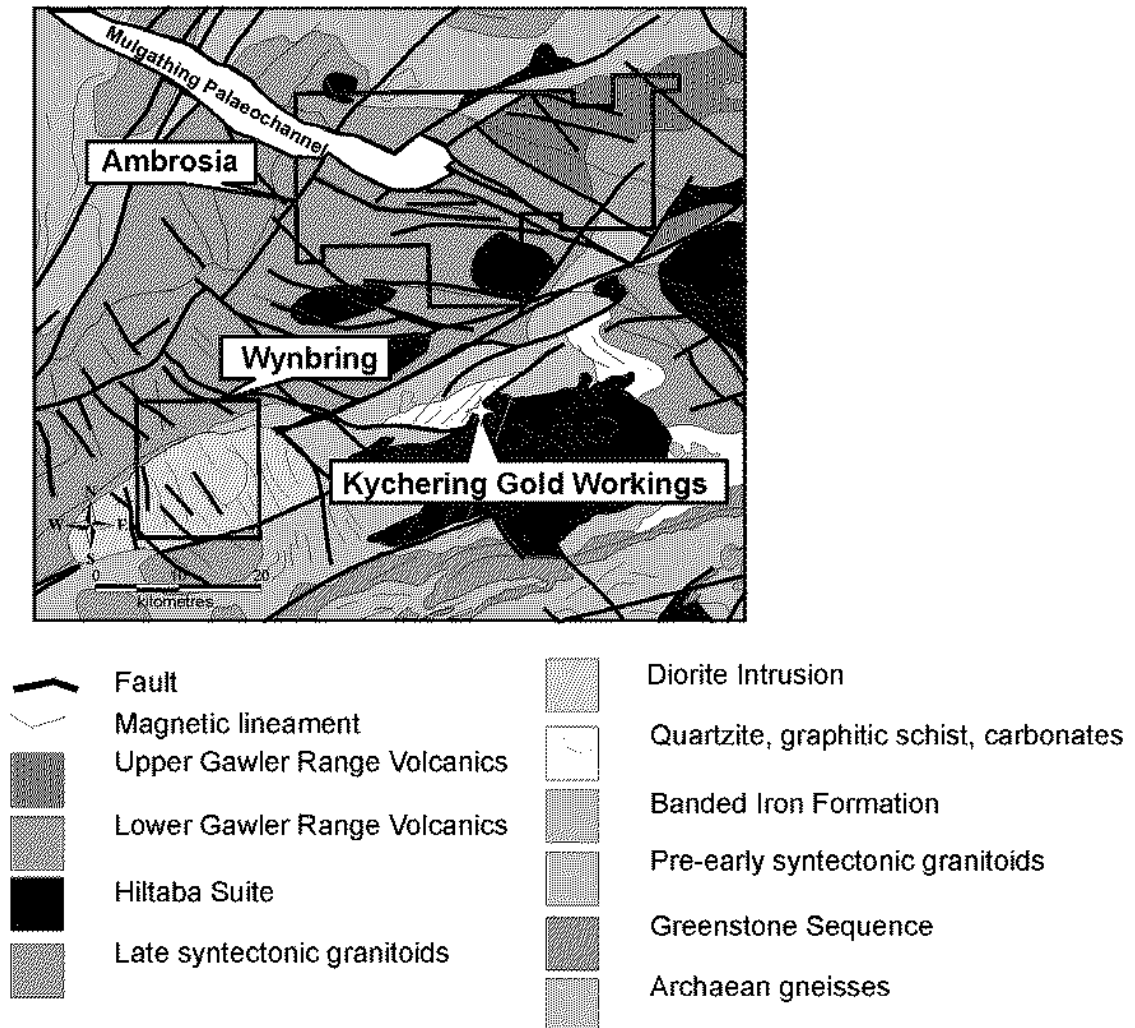


Figure 6 – Geological interpretation of Ambrosia and Wynbring properties.

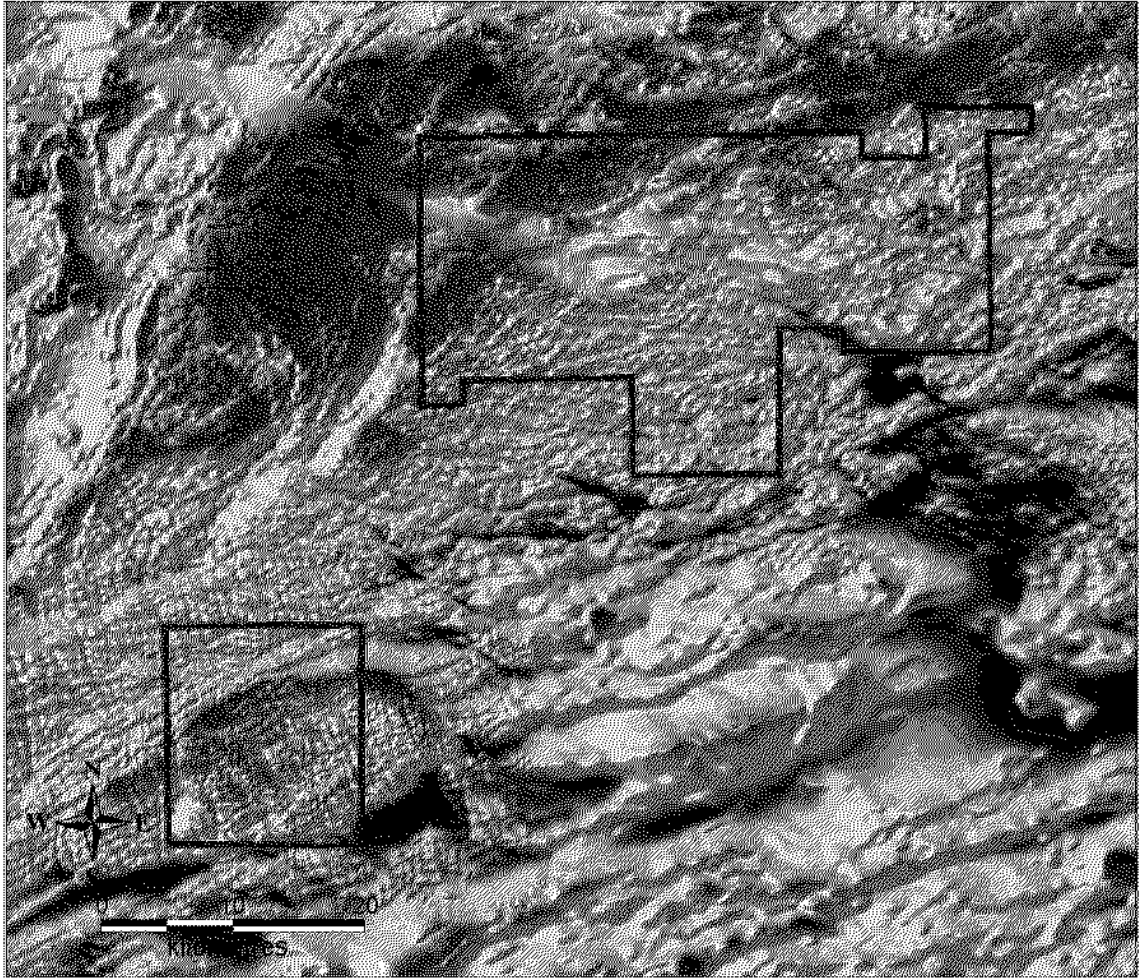


Figure 7 – Total Magnetic Intensity map for Ambrosia and Wynbring properties.

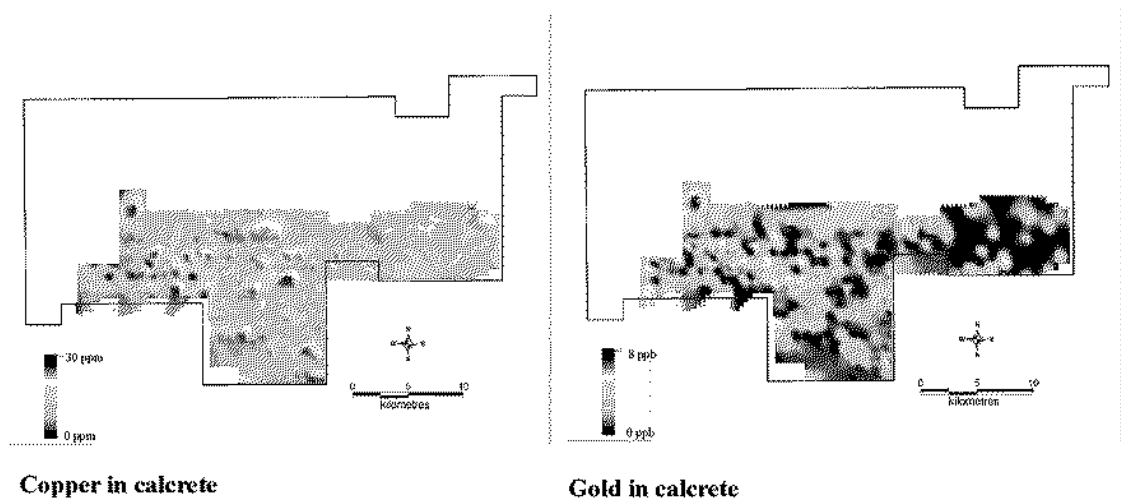


Figure 8 – Copper anomaly map derived from calcrete sampling for the southern part of Ambrosia property.

Figure 9 – Gold anomaly map derived from calcrete sampling for the southern part of Ambrosia property.

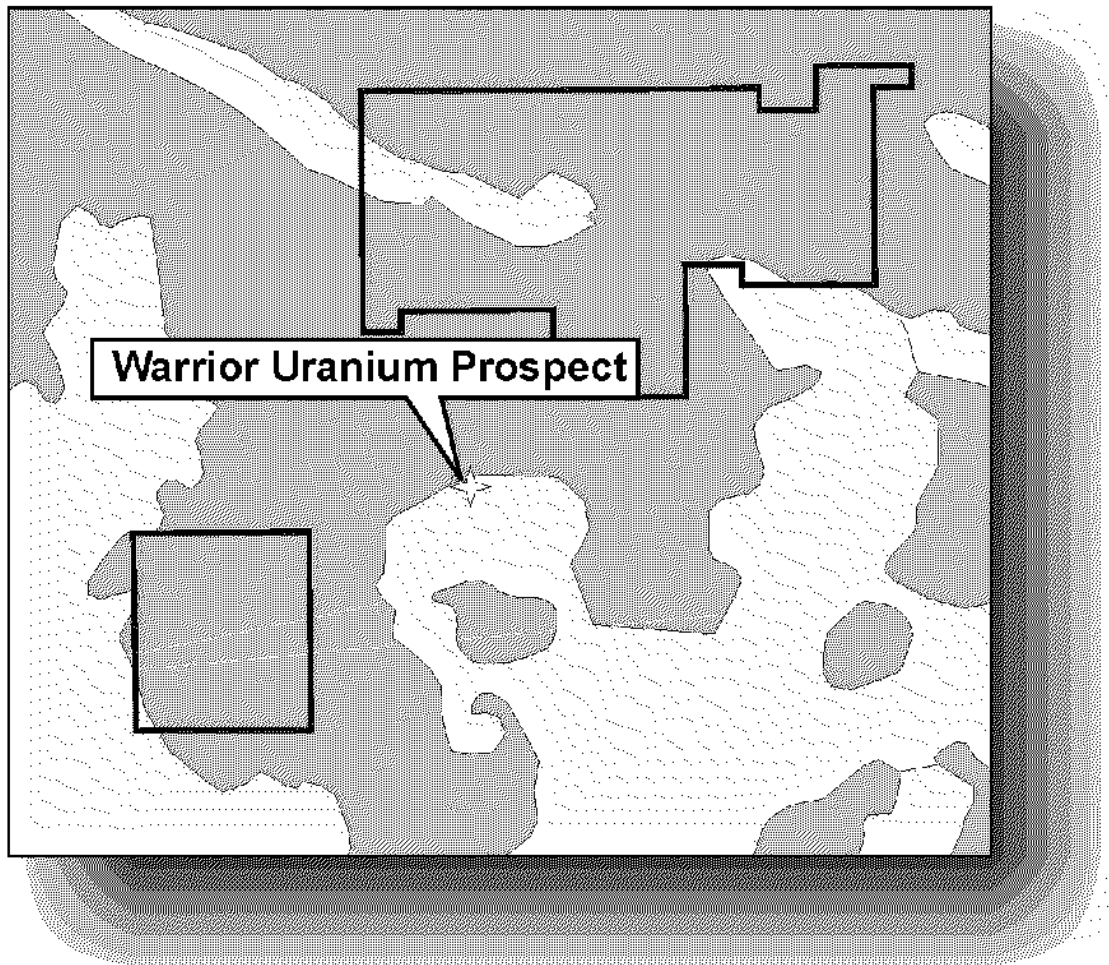


Figure 10 – Map of palaeochannels for Ambrosia and Wynbring properties

Proposed exploration program

The southern half of this area has been covered with regional calcrete sampling, revealing several coincident areas of gold and copper anomalism. We intend that these targets will be drilled as soon as possible, followed by regional calcrete sampling area over the remainder of the project area and infill sampling on the currently known anomalous. Any further anomalies resulting from this overall coverage may represent immediate drill targets.

The anomalies produced by the calcrete survey will undergo structural interpretation of infill aeromagnetics to allow the ranking of copper and gold targets in calcrete. Ground based gravity will be undertaken on the highly ranked targets. Three-dimensional modelling of any anomalies will define further drill targets.

An infill radiometric survey is planned for this area to define zones of anomalous uranium. Gravity profiling and interpretation of remote sensing data will be used to map palaeochannel distribution. Areas of anomalous uranium in the correct geological setting will define drilling targets.

**High Priority Project Moorlands-Mt Hope EL 3356 and EL 3355 (Monax 100%)
Archaean greenstone nickel and gold and VHMS zinc-copper-gold potential.**

The Mt Hope property covers an area of 320 km² and the Moorlands property covers an area of 324 km². The ground is freehold with good infrastructure and from our experience a supportive farming community.

Geology and exploration potential

The ground covered by these project areas forms a north-south trending belt of Archaean metasediments, felsic volcanics, basalts and komatiites. This zone has been named the Coultas Domain and is a southern extension of the Harris Greenstone Belt (Harris Domain). The Coultas Domain is similar to the greenstones found in the Eastern Goldfields Province of Western Australia and has the potential to contain significant Archaean gold and komatiitic nickel deposits. Unlike the Eastern Goldfields Province, very little exploration has been carried out in this area.

In both the Coultas and Harris Domains, drilling has intersected komatiites, a potential host for nickel mineralisation. Recent work by Anglo American, just to the north of the Moorlands-Mt Hope project area, has confirmed komatiites as part of the succession. Intersections of this prospective succession correspond to discontinuous linear magnetic anomalies. There are numerous untested linear magnetic anomalies within the properties that may be a repetition of this komatiite sequence and are thus drill ready targets which Monax intends to test as soon as possible.

In addition to potential komatiite hosted nickel mineralisation, the project areas have good potential for Archaean Cu-Zn VHMS deposits within the felsic volcanics. Cu-Zn VHMS style mineralisation has been discovered just to the north of these areas by BHP Billiton. The project areas cover many kilometres of strike length of prospective stratigraphy with good possibility of structural repetition.

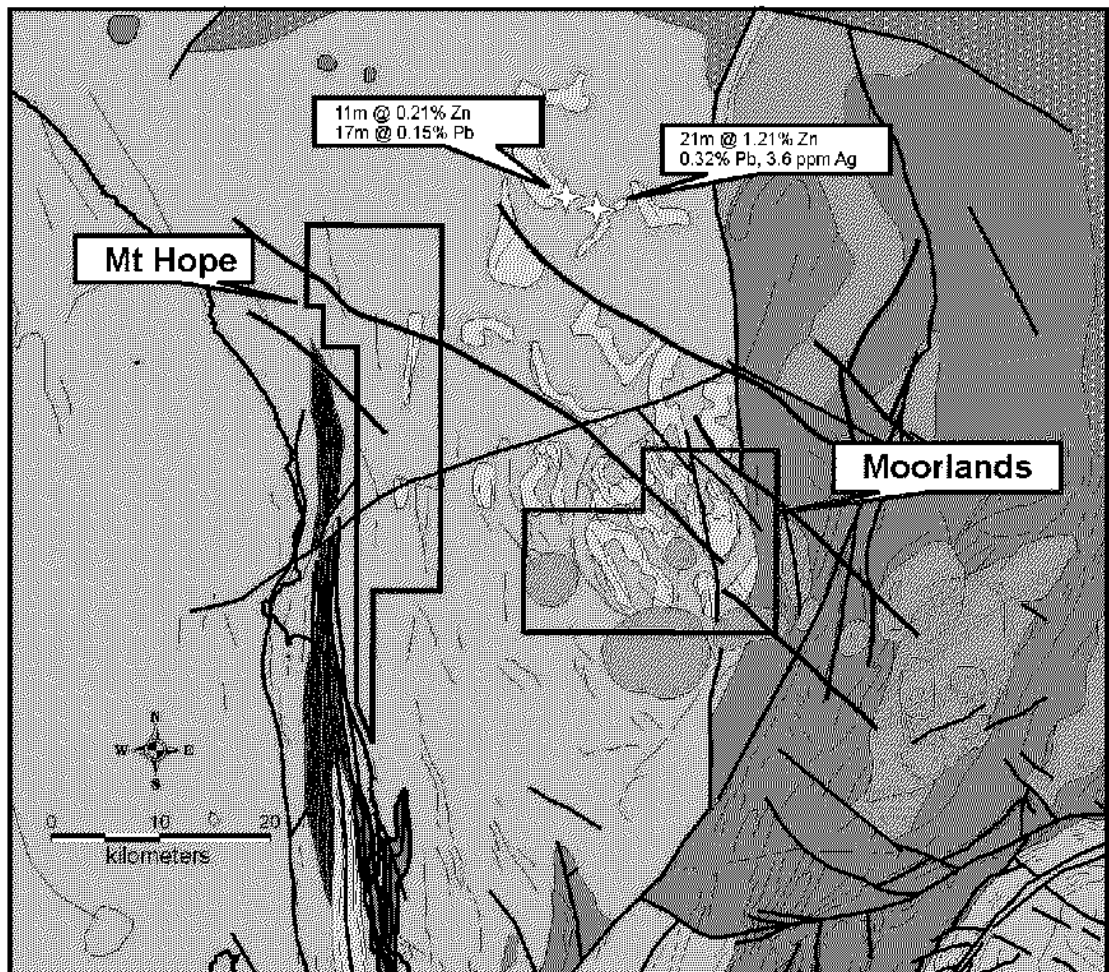


Figure 11 – Geological interpretation for the Mt Hope and Moorland properties

Total Magnetic Intensity

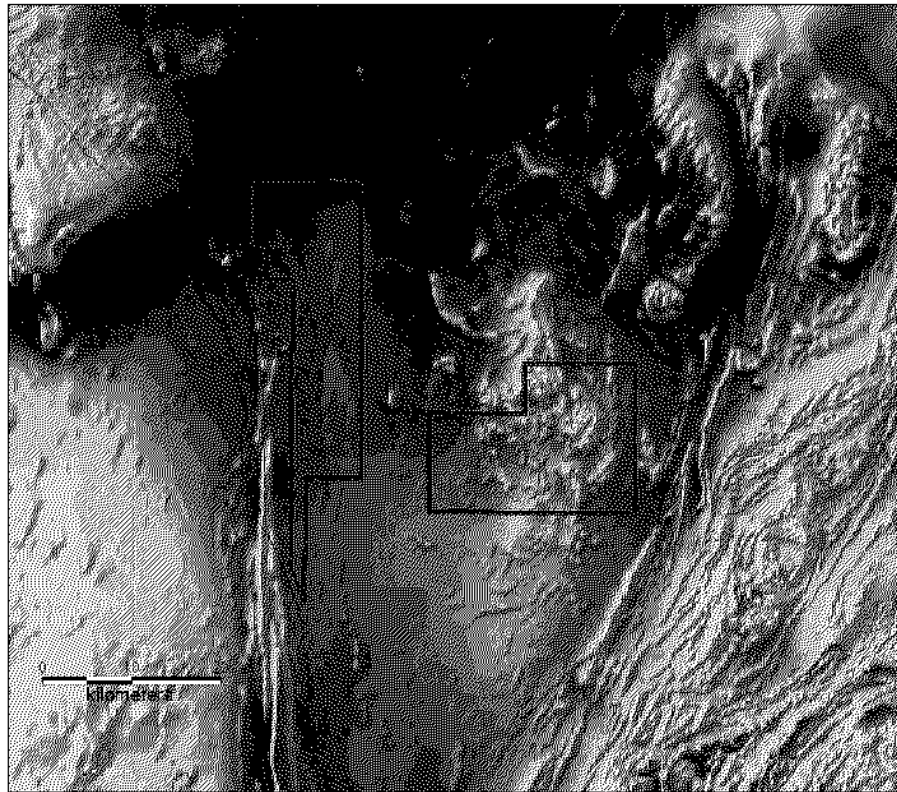


Figure 12 – Total Magnetic Intensity map for the Mt Hope and Moorland properties.

Proposed exploration program

We plan to drill some nickel prospective linear magnetic anomalies as soon as possible.

Depth to basement varies from 0-70m suggesting the area is amenable to exploration by airborne and ground based electromagnetic techniques, which should assist in identifying both styles of mineralisation. Regional calcrete and soil sampling will be undertaken concurrently with a detailed aeromagnetic survey. An interpretation of the magnetics will be produced and combined with areas anomalous in base metals and nickel. Favourable stratigraphy coincident with nickel and base metal anomalism will be tested with EM. Any conductors will be modelled and drill tested.

Kangaroo Island**High Priority Project Parndana and Western River (Monax will hold 100%) EL 2725 and EL 3088****Cambrian and structurally controlled zinc-lead-silver-gold potential**

The project areas total 288 km² and cover approximately 40 km of the Snelling-Cygnnet fault zone, which approximately marks the southern margin of the Gawler Craton, believed to occur at depth here.

The land tenure of the area is freehold and mostly cleared grazing country. We understand there is strong local support at landowner and Local Government levels for responsible exploration and development. Access is good, the area is well serviced with roads and the topography is gently undulating.

Geology and exploration potential

We have reached an agreement with the highly successful explorer, Havilah, to acquire the advanced zinc-lead Parndana-Western River prospect on Kangaroo Island. Monax will drill out the prospective area on Parndana, where there are first rate zinc intersections, with the aim of progressing quickly to the resource assessment stage if feasible.

The project areas cover approximately 40 km of the Snelling-Cygnnet fault zone believed to mark the southern margin of the Gawler Craton, at depth here. This fault zone is considered to be the focus of a widespread hydrothermal alteration/vein system characterised by base metal and gold occurrences scattered along much of its length. Six small historical mines occur along the zone, from which Pb, Ag, Au and Zn were recovered. Rich sphalerite (Zn) mineralisation appears to be associated with fine quartz veining in altered meta-greywacke.

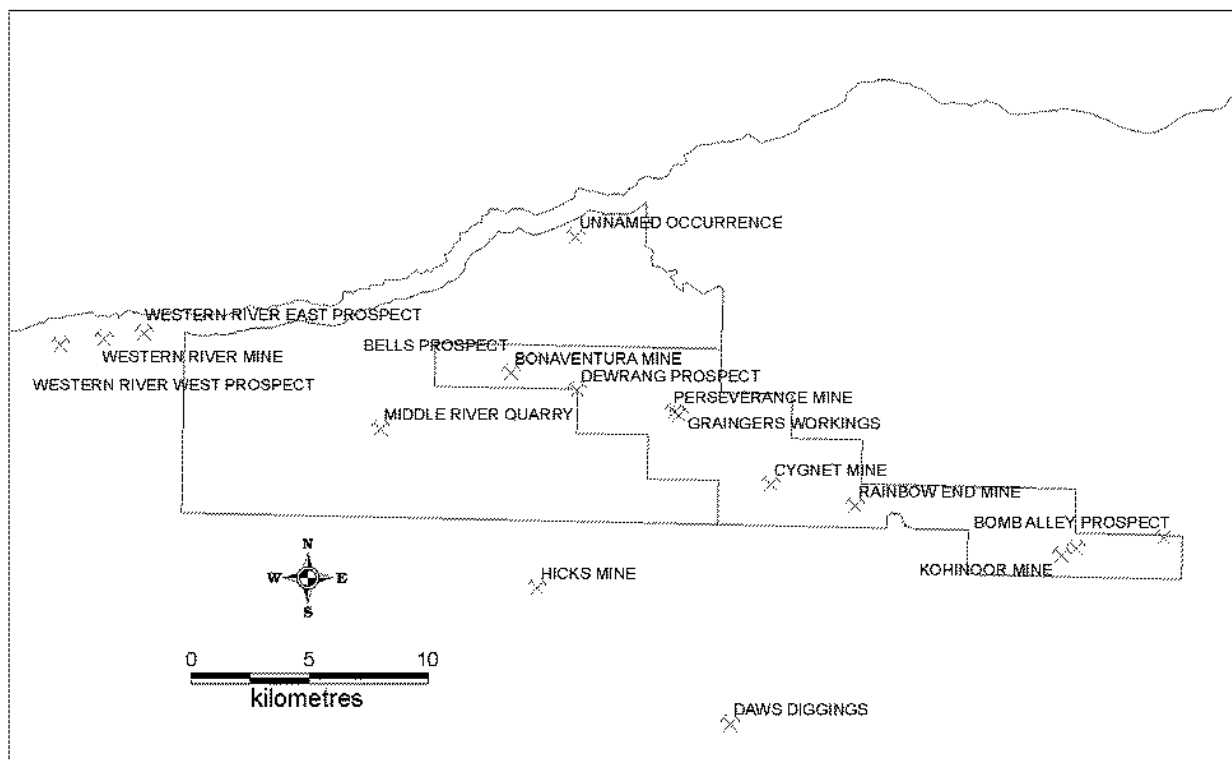


Figure 13 – Map of historical mines along the Cygnet and Snelling Fault zone.

More recent exploration, dating from 1970, has been concentrated around the Dewrang prospect and Grainger mine. At Dewrang, exploration has confirmed strong copper, lead and zinc anomalism in stream sediment, soil, rock chip and drill hole samples. The anomalies were attributed to sulphide bearing quartz veins and also to minor stratabound sulphides in the host rocks.

Drilling undertaken by the Department of Mines and Energy and Havilah discovered widespread precious and base metal mineralisation with thick intersections of zinc (up to 5 m) ranging from 3.6% to 26.9% and lead up to 9.4% in the Grainger mine area. These results lie within a broader halo of lower grade disseminated zinc and lead mineralisation that includes 14 metres of Zn up to 1.27 % and 10 m of 0.50 % Pb.

The drilling also confirms the existence of significant disseminated base metal mineralisation at Grainger at shallow depths over a strike length of at least 400 metres. The Snelling Fault zone is marked by a distinct linear magnetic low, presumably caused by magnetite destruction in the Kanmantoo host rocks and is frequently marked by interlacing intensely sericitised shear zones. Significantly, Grainger is centrally located at a prominent kink in the fault zone.

Fortunately, the blanketing hard pisolitic ferricrete layer is rarely more than two metres thick, and contains anomalous zinc and lead values, clearly reflecting the mineralised underlying bedrock. This surficial layer may provide a guide for exploration.

Parndana Project

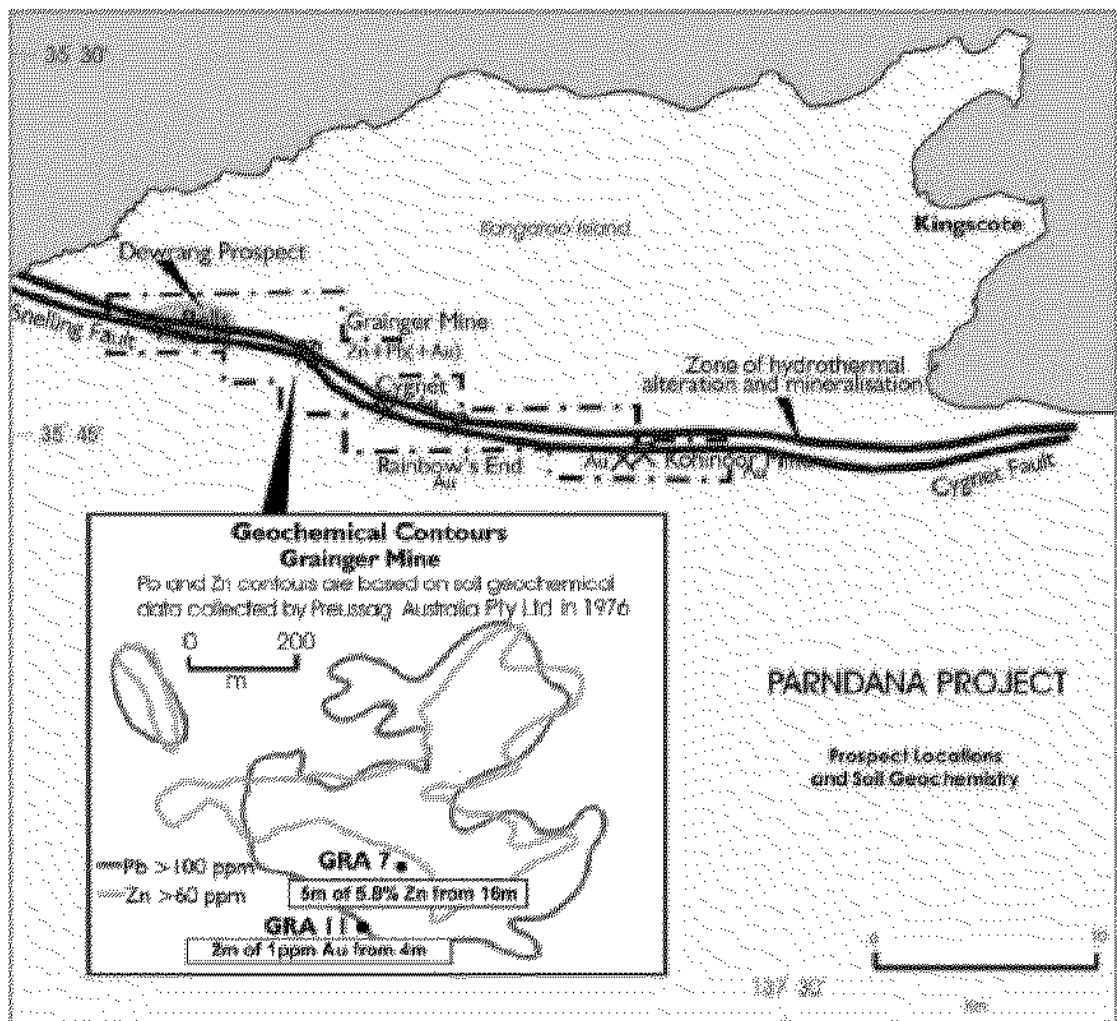


Figure 14 – Map of geochemical anomalies for the Parndana project (source Havilah Resources)

Total Magnetic Intensity

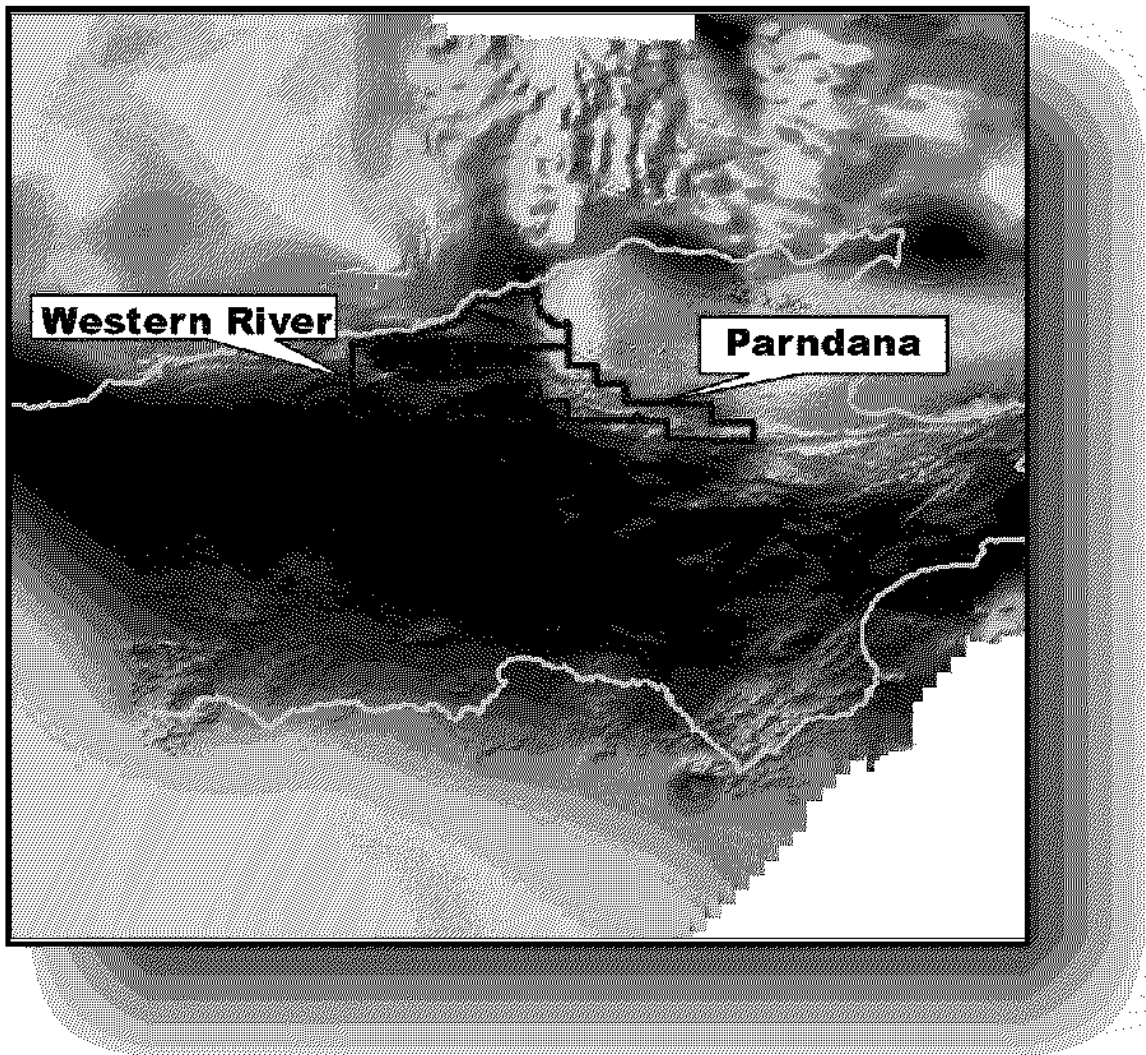


Figure 15 – Total Magnetic Intensity map for Western River and Parndana region.

Proposed exploration program

Our Parndana prospect has the potential to move quickly to the resource evaluation stage. Since the mineralised zones should be good electrical conductors, we plan to undertake EM and geochemical sampling programs to better define Grainger mineralisation and further mineralisation along the extension of the fault zone. This will be followed by a drilling program of the strike and depth extensions of the Grainer prospect and targets identified along the fault zone.

Infill aeromagnetics will be completed on Western River project area in order to better define E-W trending linear magnetic features, followed by focussed geochemical sampling to determine drill targets.

GAWLER CRATON

Wynbring EL 3359 (Monax 100%)

Tanamí style orogenic lode gold/Hiltaba Suite style gold potential

The project area covers 247 km² of pastoral lease land over an extension of the same fault structure that hosts the historic Kychering Hills gold workings.

Geology and exploration potential

The project area covers an extension of the same structural zone that hosts the historic Kychering Hills gold workings and thus has good gold potential.

Wynbring contains regional northeast-southwest and potentially secondary dilational northwest-southeast structures, active at Hiltaba Suite times, which wrap around a large diorite intrusion. Our target in this project is structurally controlled orogenic lode gold style mineralisation within, and on the margins of, the large diorite intrusion. The regional northeast-southwest structures which wrap around this large diorite intrusion are in the centre of the property. Movement on these structures during the intrusion of Hiltaba Suite granites has been interpreted to have produced internal northwest-southeast brittle faulting within the diorite intrusion. These structures, which may have been dilational have the potential to host gold mineralisation.

A regional gold in calcrete survey has been undertaken but the data are not yet available.

Proposed exploration program

Regional calcrete sampling will be undertaken in conjunction with a detailed aeromagnetic survey. Any significant gold in calcrete anomalies overlying favourable structures will be followed up with detailed sampling. Coherent anomalies will present immediate drill targets.

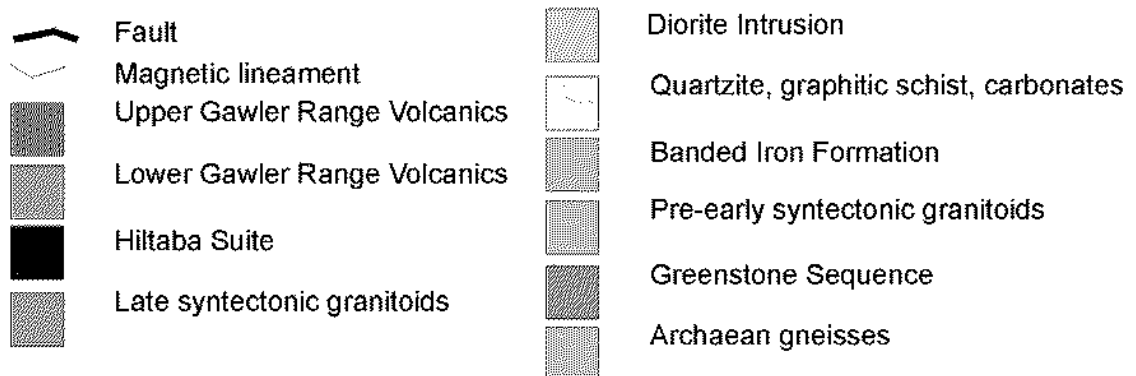
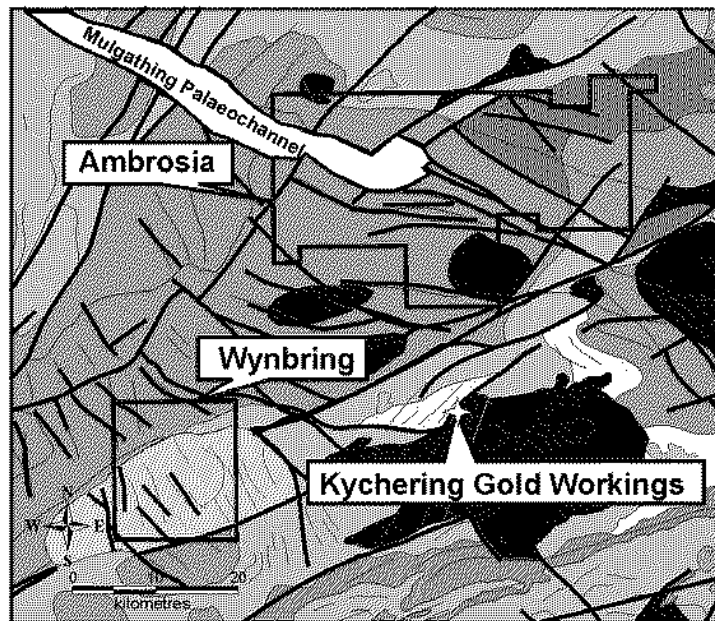


Figure 16 – Geological interpretation of Wynbring property (including Ambrosia).

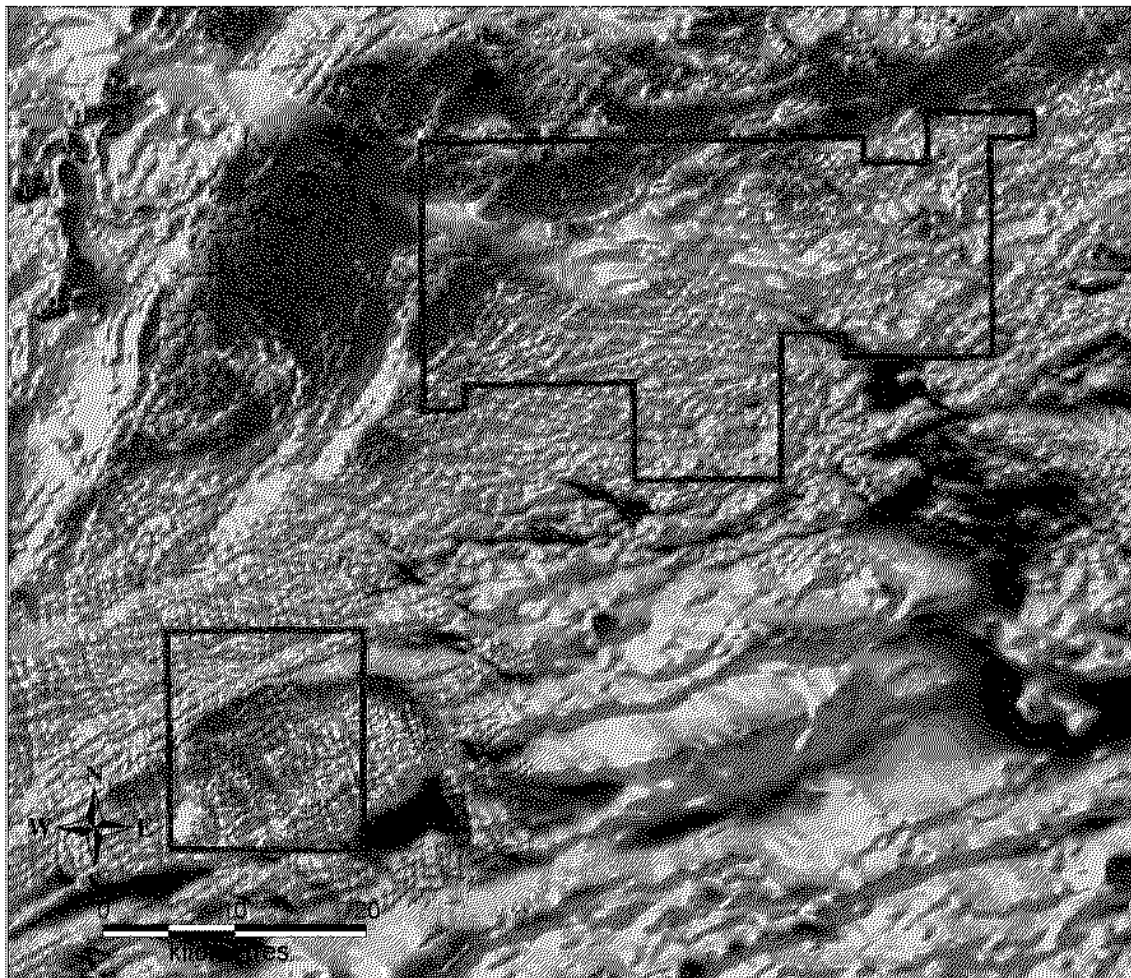


Figure 17 – Total Magnetic Intensity map of Wynbring property (including Ambrosia)

Eureka Bluff ELA 59/05 (Monax 100%)

Olympic Dam style copper-uranium-gold and Tanami style orogenic lode gold potential.

The project area covers 549 km² of pastoral lease land over part of the southern margin of the Gawler Range Volcanics in a similar geological environment to Prominent Hill and Olympic Dam. This property is an ELA but an offer for an Exploration Licence is understood to be imminent.

Geology and exploration potential

Olympic Dam Style copper-uranium-gold

The project area covers part of the southern margin of the Gawler Range Volcanics, indicating formation at high crustal levels in a similar geological environment to that hosting the Prominent Hill and Olympic Dam deposits. Thus, there is good potential for Olympic Dam style Cu-Au-U mineralisation.

A regional E-W fault network crosscuts the project area, controlling basin development and deposition of the Gawler Range Volcanics. These regional fault

networks, indiscernible at the project scale, potentially provide hydrothermal fluid pathways and control the location of iron oxide hosted copper-uranium-gold deposits.

Eureka Bluff project area is covered by a gravity gradient from north to south. A new regional gravity survey, targeting Prominent Hill style mineralisation, is currently being conducted by PIRSA in this area. Any significant gravity anomalies produced by this survey will present drill targets following infill gravity and modelling.

Orogenic Lode Gold/Hiltaba Suite style

Northwest-southeast and northeast-southwest structures, which occur within the property, were active during formation of Hiltaba Suite granite and the deposition of the Gawler Range Volcanics. The project area lies along the southern margin of the Gawler Range Volcanics, which may have formed a seal for mineralising fluids. Zones of demagnetisation along the structures and along volcanic flow fronts suggest alteration and transport of fluids from a hydrothermal system. This setting has the potential to form large gold deposits due to the focussing of mineralising fluids over a long time span. The structural orientations are favourable to produce zones of dilatancy and potential trap sites for gold mineralisation. Two major northwest-southeast structures, which run through the project area, have the same trend as the structure along which the Barns Gold prospect occurs.

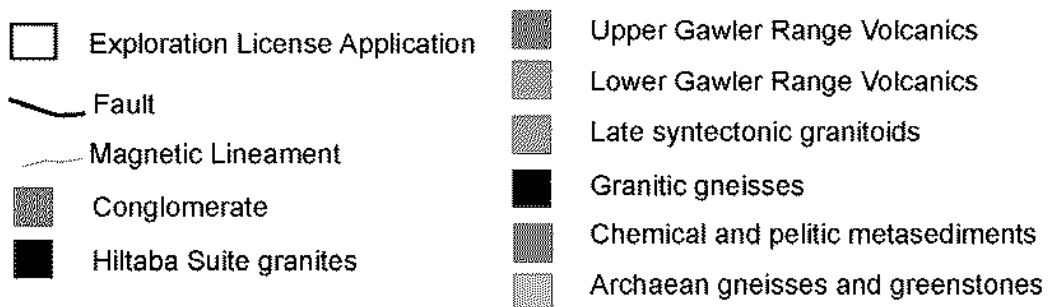
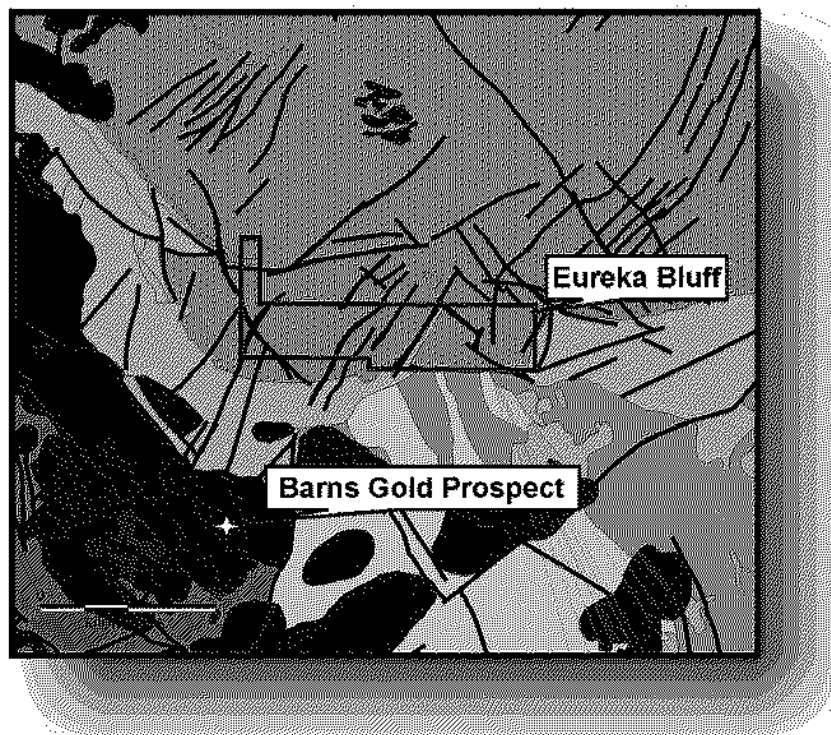


Figure 18 – Geological interpretation for the Eureka Bluff region

Total Magnetic Intensity

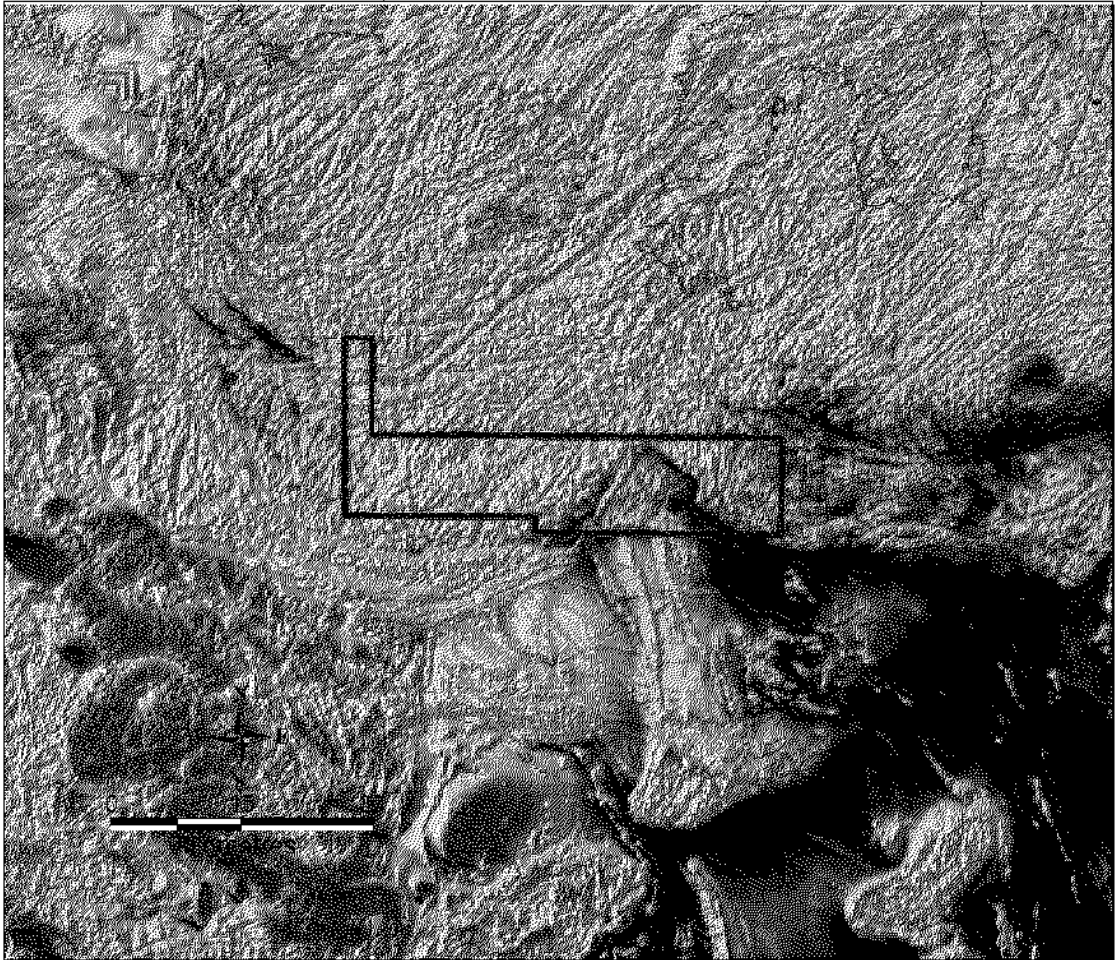


Figure 19 – Total Magnetic Intensity Map for the Eureka Bluff region.

Proposed exploration program

Assessment of existing aeromagnetic and new PIRSA gravity data will be undertaken to identify any semi-coincident gravity and magnetic anomalies. Infill gravity and magnetics will then be undertaken to define the best targets for geophysical modelling. Models that fit the criteria of an iron oxide Cu-U-Au deposit will be drill tested. Concurrently a structural interpretation of detailed magnetics will be made to define structural targets for gold mineralisation. Calcrete/soil/rock chip sampling will be undertaken to assess targets and coincident geochemical and structural targets will be drill tested.

Dingo Hill ELA 55/05 (Monax 100%)
Olympic Dam style copper-uranium-gold potential.

The Dingo Hill project covers an area of 540 km² of pastoral lease land on the northwestern margin of the contact between the Upper and Lower Gawler Range Volcanics.

Geology and exploration potential
Olympic Dam Style copper-uranium-gold

The project area has a similar setting to Eureka Bluff in that it covers part of the northern margin of the upper Gawler Range Volcanics, indicating that it occupied a high crustal level at the time of any potential associated mineralisation.

Significant magnetic anomalies and a gravity gradient in a northeast trend indicate a major flow front in the volcanics, with potential alteration along this zone. Northwest-southeast and northeast-southwest crustal-scale fault networks are developed in the region. These structures probably controlled basin development, deposition of the volcanics and provide potential pathways for mineralising fluids. Sustained hydrothermal fluids released from beneath the Gawler Range Volcanics could have been trapped along this zone and developed into large iron oxide hosted copper-uranium-gold and/or gold only deposits.

Proposed exploration program

Assessment of existing aeromagnetic and gravity data will be undertaken to identify any semi-coincident gravity and magnetic anomalies. Infill gravity and magnetics will then be undertaken to define the best targets for geophysical modelling. Models that fit the criteria of an iron oxide hosted Cu-U-Au deposit will be drill tested. Concurrently a structural interpretation of detailed magnetics will be made to define structural targets for gold mineralisation. Calcrete/soil/rock chip sampling will be undertaken to assess targets and coincident geochemical and structural targets will be drill tested.

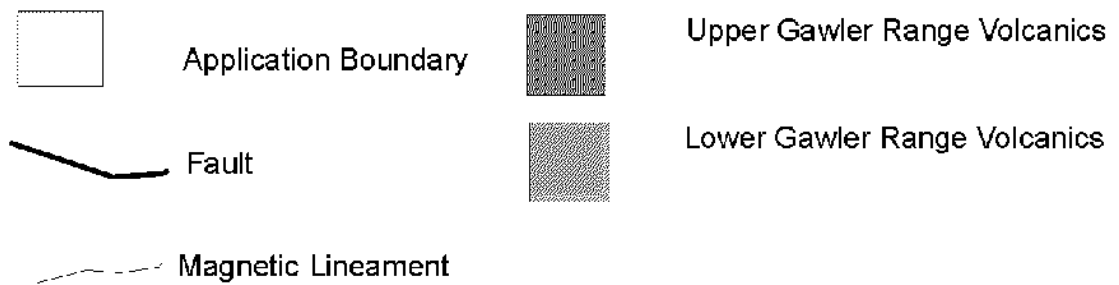
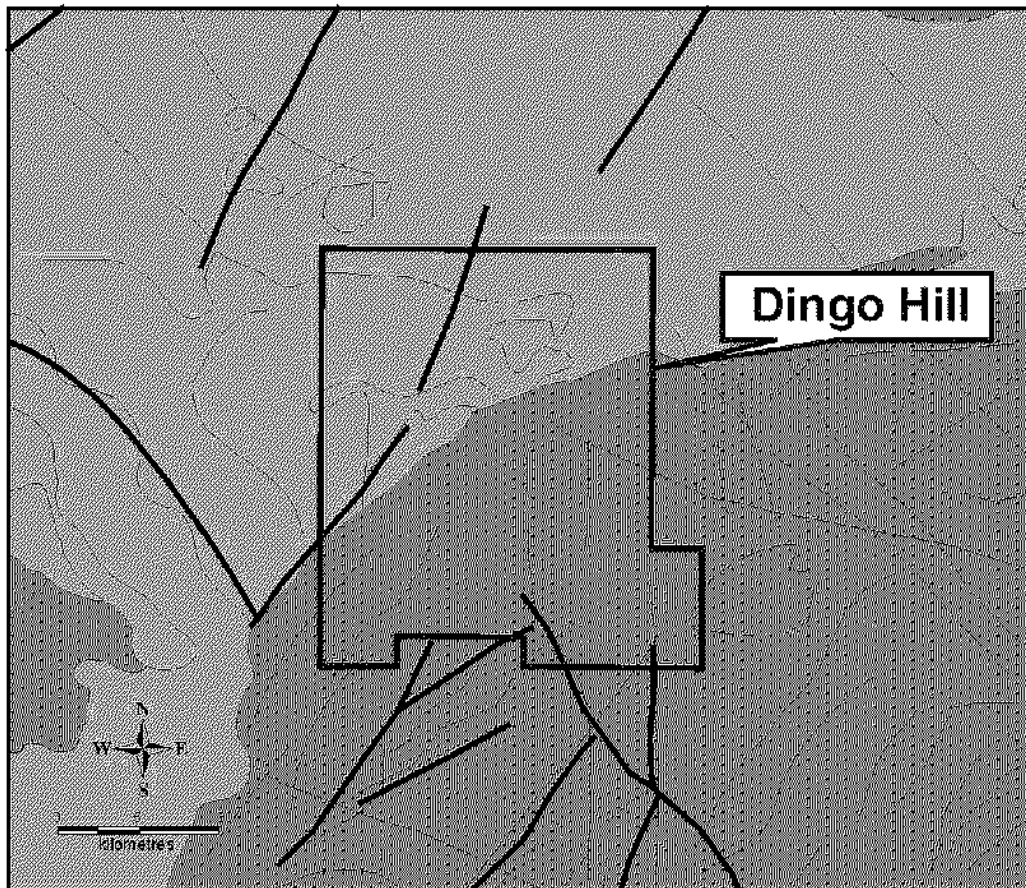


Figure 20 – Geological interpretation for Dingo Hill property region.

Total Magnetic Intensity

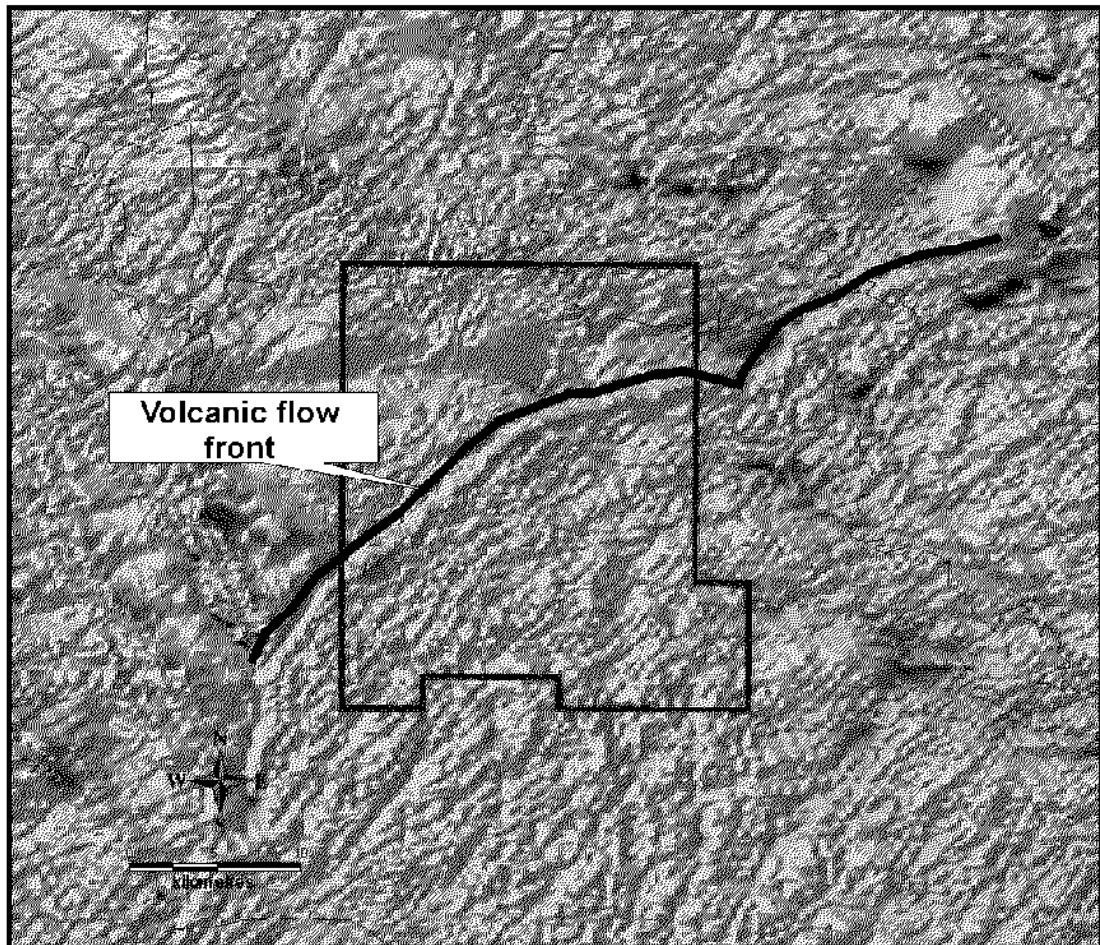


Figure 21 – Total Magnetic Intensity Map for the Dingo Hill region.

Mattaweara EL 2964 (Monax will hold 100%) Olympic Dam style copper-uranium-gold potential.

The Mattaweara project, in our view an Olympic Dam look alike, covers 119 km² of pastoral lease land about 40 km northwest of Olympic Dam, and lies along the same structural corridor.

Geology and exploration potential

Havilah acquired 200 metre spaced aeromagnetic data over the area, which resolved a discrete “bullseye” magnetic anomaly. The anomaly measures roughly 1.5 km x 2.0 km with computer modelling suggesting a steeply plunging cylindrical body. This is consistent with a mineralised breccia pipe or plug of Olympic Dam dimensions. A previous drill hole by Havilah targeted a semi-coincident magnetic and gravity high but did not intersect basement.

Proposed exploration program

We plan to undertake down hole EM and/or IP to better define the target. A 3D model will be generated to plan drill testing. Drilling could wedge off the existing hole at depth to intersect the target, saving substantially on drilling costs. There is also

potential to continue the hole with PIRSA-PACE funding which would halve the drilling costs.

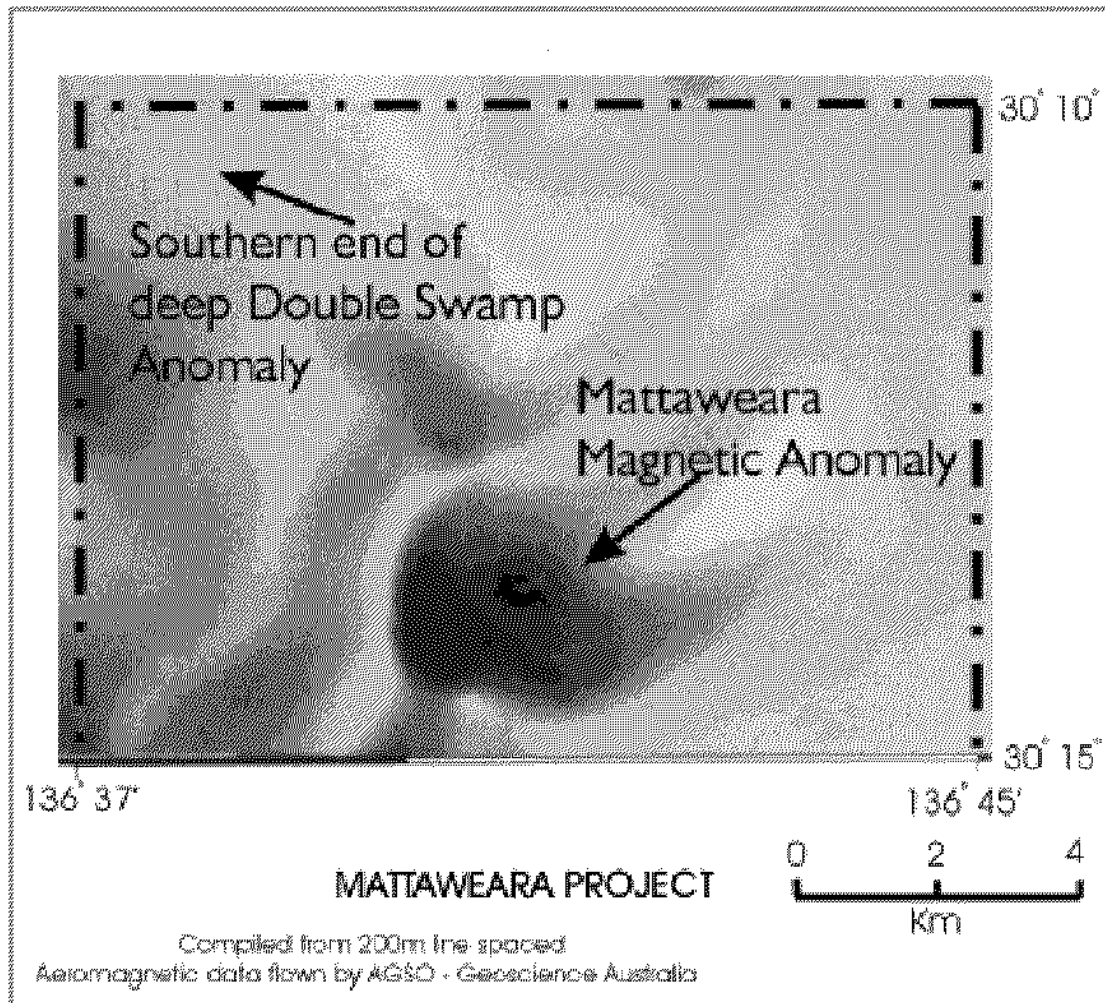


Figure 22 – Magnetic anomaly for the Mattaweara project (source Havilah Resources)

Total Magnetic Intensity

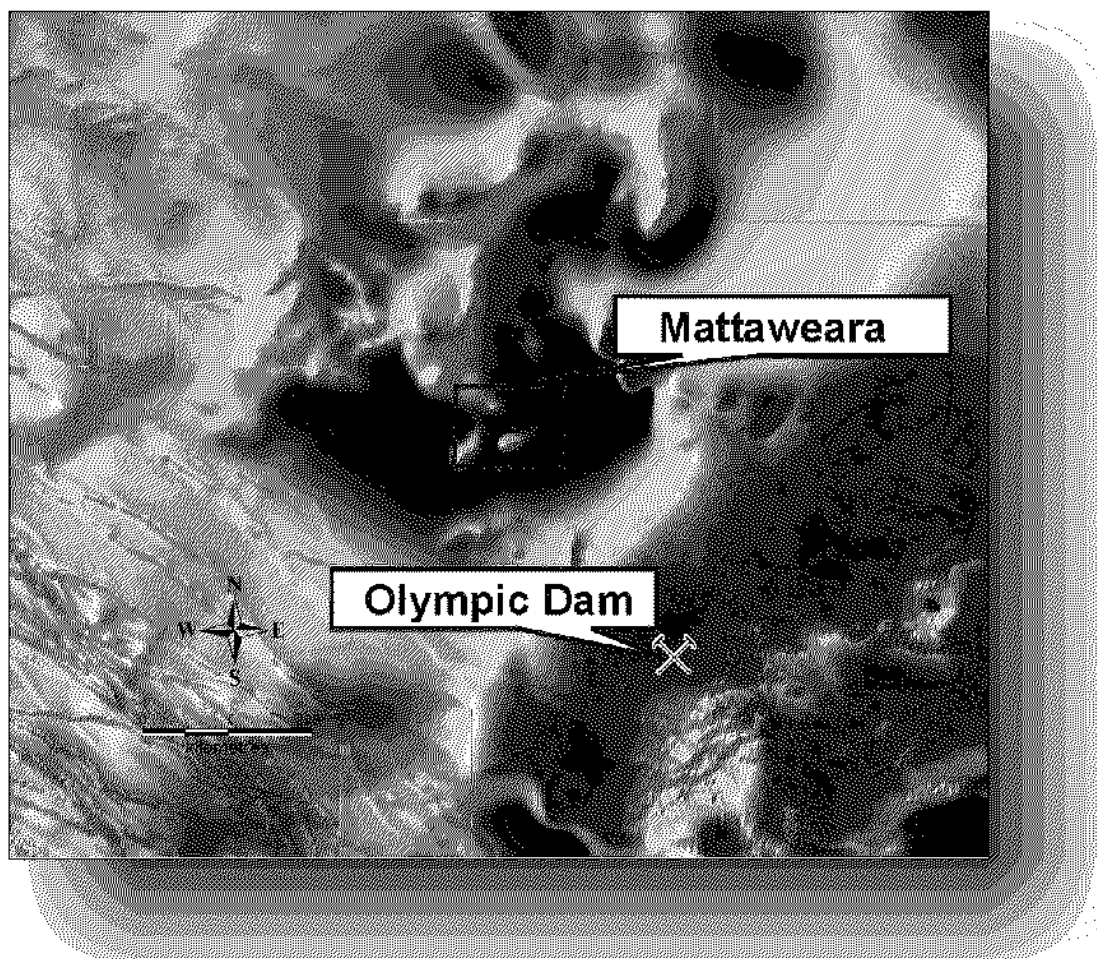


Figure 23 – Total Magnetic Intensity map for the Mattaweara region.

Gravity

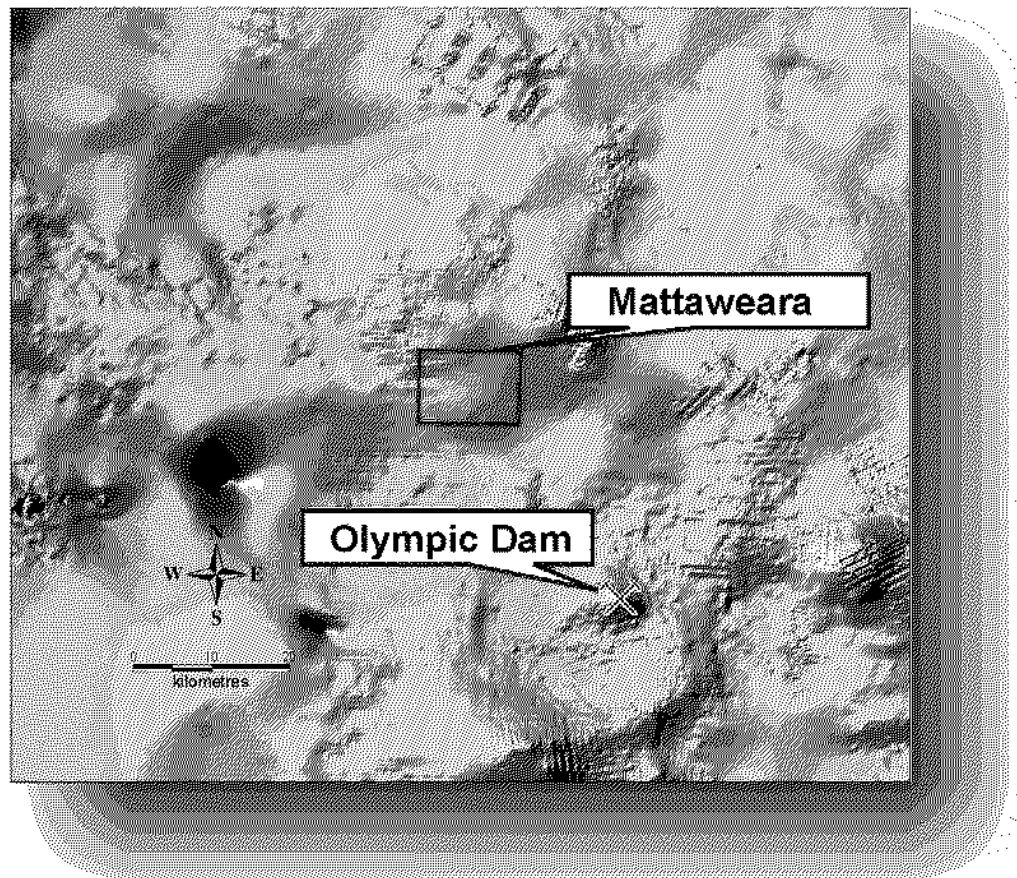


Figure 24 – Gravity map for the Mattaweara region.

Waddikee EL 3357 (Monax 100%)

Tanami style orogenic lode gold and Mt Isa/Broken Hill style base metals potential.

The Waddikee project covers an area of 1004 km² of freehold land over thinly covered Palaeoproterozoic rift sediments of the Hutchison Group, which are intruded by the Carapee Granite. We assess that this project area has good potential for both styles of mineralisation.

Geology and exploration potential

Tanami orogenic lode gold/Hiltaba Suite style gold

Structures likely to have been developed at the same time as Hiltaba Suite granite emplacement crosscut the project area and potentially represent pathways for mineralising fluids. Orientations of these structures are sympathetic to producing zones of structural dilatancy and potential trap sites for mineralisation. In addition to this, the structures intersect reactive lithologies such as carbonates, iron formations and graphitic schists. These are potential sites for chemical precipitation of gold and formation of mineral deposits. Magnetic anomalies along these faults suggest magnetic (iron) alteration of reactive host rocks.

Mt Isa/Broken Hill Style

The Hutchison Group is a package of Proterozoic chemical and pelitic metasediments deposited in a rift system on Archaean and Proterozoic basement, similar to Mt Isa and Broken Hill. Anomalous base metal mineralisation is widespread throughout the Hutchison Group, highlighting the potential for Mt Isa/Broken Hill style deposits.

Exploration by Western Mining Corporation/Mines Exploration, in 1979, defined the Carlaya, Bunora, Rowanglen, Seymour and Cleve Road base metal prospects within the project area. TEM and follow up drilling of all these prospects revealed semi-coincident conductive zones associated with base metal mineralisation in all prospects. Of these five prospects the most significant in our view is Cleve Road where shallow percussion drilling reported an anomalous zone of base metal mineralisation 1500 x 400m in extent. The best interval recorded was 2m @ 2200 ppm Zn, 1300 ppm Pb, 455 ppm Cu and 0.4% Mn. Several deeper percussion holes confirmed mineralisation at depth. Follow up work of these anomalous zones at the time was minimal.

At the Cleve Road Prospect, reappraisal and new geophysical work undertaken by Fodina Minerals in 1995, suggested the previous drilling failed to intersect the EM conductor. However, the reassessed conductor has never been drill tested and this provides a drill ready target.

Proposed exploration program

The TEM data at the Cleve Prospect will be remodelled and supplemented with infill gravity data. A 3D model of the target will be generated including geological and geophysical information. Potential drill targets will be defined and tested. Concurrently all previous exploration data will be compiled and reassessed. Where appropriate, regional calcrete/soil/rock chip sampling will be undertaken and further anomalies assessed.

For the gold only program, the remainder of the project area will be covered with regional calcrete sampling and infill sampling on the current anomalous areas. Although further anomalies may represent immediate drill targets, the anomalies produced by the calcrete survey will undergo structural interpretation of infill aeromagnetics to allow the ranking of gold targets in calcrete. Ground based gravity will be undertaken on the highly ranked targets. Three-dimensional modelling of any anomalies will define further drill targets.

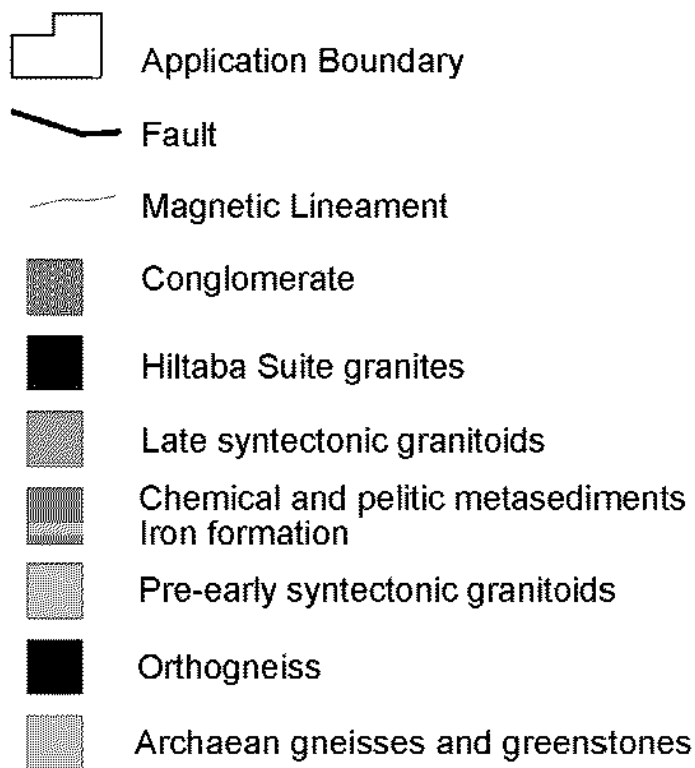
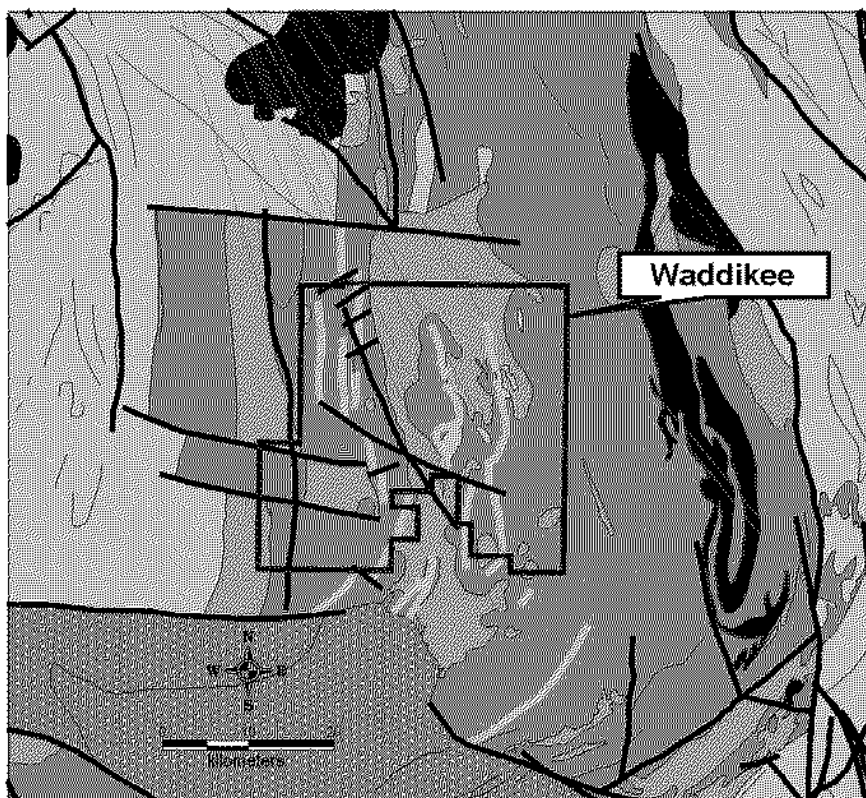


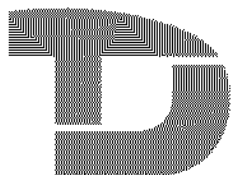
Figure 25 – Geological interpretation for the Waddikee region.

Geochemistry on magnetics



Figure 26 – Geochemical anomalies for Ag, Pb and Zn on a Total Magnetic Intensity map for the Waddikee region.

2. INDEPENDENT CONSULTING GEOLOGIST'S REPORT



DAVID TONKIN & ASSOCIATES

25 Palmerston Road, Unley, S.A. 5061 Telephone (08) 8272 0999

ABN 36 140 574 941

12 June 2005

The Directors
Monax Mining Pty Ltd
140 Greenhill Road
Unley SA 5061

Gentlemen,

INDEPENDENT CONSULTING GEOLOGIST'S REPORT

Monax Mining Pty Ltd ("Monax Mining") commissioned David Tonkin & Associates to prepare an Independent Geologist's Report on ten exploration properties, all located in South Australia. This report is to be included in a Prospectus, to be lodged with the Australian Securities and Investments Commission, offering for subscription Shares, at an issue price of 20 cents per Share, to raise up to \$5 million. The funds raised will be employed in exploration and evaluation of the mineral properties. I have provided consent for the inclusion of the Independent Geologist's Report in the Prospectus, in the form and context in which the Report appears, for the purpose of informing shareholders and prospective shareholders.

The sources used in preparing this Report included information provided to me by Monax Mining, open file technical reports submitted to the Government by previous exploration licence holders, technical reports and data made available by Government agencies, and other relevant published and unpublished information, as well as my professional knowledge of and experience in the regions covered by the Prospectus. A listing of selected published references is included in the Report, together with a list of relevant Government open file reports. I have worked extensively on the Gawler Craton and Stuart Shelf and based on this knowledge made no field inspections during preparation of this Report.

The ten properties described in this Report are understood to comprise eight Exploration Licences and two Exploration Licence Applications, covering a total area of 4,245 square kilometres held by Monax Mining. It should be noted that I have not considered matters concerning valuation of the mineral properties, the status of the tenements, the terms of any joint ventures and possible government or land ownership impacts in this report, and these matters are addressed elsewhere in the Prospectus. The Solicitor's Report, elsewhere in this Prospectus, provides a list of all mineral properties and associated tenement details.

The mineral properties secured by Monax Mining are considered to be "exploration projects", which are inherently of a speculative nature. Nevertheless, it is evident that Monax Mining has acquired the mineral properties on the basis of sound geological concepts and technical merit. Each is considered to be prospective to varying degrees for the discovery of base and precious metals, nickel or uranium and further exploration is justified. Monax Mining has proposed exploration programs and budgets that are in accordance with the perceived

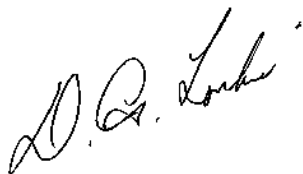
prospectivity and in balance with the funds to be raised. Monax Mining's budget is considered reasonable and sufficient to meet the anticipated combined annual statutory expenditure requirement of approximately \$1.3 million on the exploration tenements. The principals of Monax Mining are technically well qualified to oversee the implementation of the proposed exploration programs and to keep abreast of new developments and opportunities as they arise. In my opinion, Monax Mining has developed satisfactory and well-defined exploration programs and budgets that are consistent with the exploration targets indicated.

I, consulting geologist David Tonkin, prepared this report. I have worked for the past twenty years as an independent consultant, providing professional services to clients including major international resource companies and the Department of Primary Industries and Resources of South Australia. Much of this consulting work involved base metals and/or gold exploration in the Gawler Craton and Stuart Shelf regions of South Australia. This followed twenty years previous experience with a major Australian resource company, during which time I developed geological models that led to the discovery of concealed copper-silver ore bodies at Mount Gunson and directed exploration programs that discovered further copper-cobalt-silver resources on the Stuart Shelf. I am an author of several research papers on the geology, geochemistry and mineral deposits of the Stuart Shelf, having made significant contributions on the geology of that region. I therefore have expert knowledge of the geological terrains covered by this prospectus.

I am a Member of the Australian Institute of Geoscientists (AIG), a Member of the Geological Society of Australia (GSA) and as detailed above have appropriate qualifications, experience and competence to be considered as an "Expert" and a "Competent Person" under the relevant codes. This Independent Geologist's Report has been prepared in accordance with the Code for Technical Assessment and /or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for Independent Expert Reports (The VALMIN Code, December 2002), which is binding on Members of the AIG.

I have no material interest in current mineral tenements held by Monax Mining or any other conflicts of interest in preparing this report. My relationship with Monax Mining is solely that of a professional association between consultant and client. The sole benefit to me is cash remuneration paid at agreed daily rates plus any expenses. Payment of these fees is in no way contingent on the opinions expressed in this Report.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D.G. Tonkin', with a stylized flourish at the end.

DG Tonkin
B Sc, M AIG, M GSA

EXECUTIVE SUMMARY

Monax Mining Pty Ltd (Monax) holds a portfolio of ten properties, all of which lie either directly on, or in rocks overlying, the Gawler Craton in South Australia (Figure 1). These properties are considered prospective for gold, copper, uranium, nickel, zinc, lead or silver mineralisation.

The Ambrosia project on the northwestern Gawler Craton covers an area of 854 square kilometres and is located midway between the historic Tarcoola Goldfield and the producing Challenger Gold Mine. The project contains Hiltaba Suite granites and lies peripheral to the Gawler Range Volcanics, in a location favourable for the formation of an Iron Oxide Copper Gold (IOCG) deposit of the Olympic Dam or Prominent Hill type. Linear structures crossing the project are potential sites for the formation of Tanami style orogenic lode gold deposits. This project area also holds potential for uranium mineralisation, either associated with an IOCG deposit or concentrated in sedimentary roll-front deposits within the Tertiary palaeochannels crossing the area.

Moorlands and Mount Hope project comprises two tenements covering a total area of 644 square kilometres on south-western Eyre Peninsula, on the southern Gawler Craton. Newly-discovered Archaean greenstones and felsic volcanic sequences provide potential for the discovery of Archaean gold and nickel sulphides, and for Abitibi style Volcanic-hosted Massive Sulphide (VHMS) deposits. The greenstones include komatiites, confirming their prospectivity for Eastern Goldfields style nickel sulphides, whilst VHMS-style copper-zinc mineralisation was recently reported north of the project area. This project also has potential for roll-front sedimentary uranium mineralisation in Tertiary palaeochannels.

Parndana and Western River project comprises two tenements covering a total area of 288 square kilometres on Kangaroo Island. High-grade zinc-lead (-gold-silver) mineralisation has been discovered in hydrothermally altered Cambrian rocks along a major fault zone. This fault zone is believed to coincide at depth with the southern limit of the Gawler Craton. Immediate potential exists to convert this discovery into a defined resource, by undertaking further exploration drilling.

The Wynbring project on the northwestern Gawler Craton covers an area of 247 square kilometres, located 70 kilometres west of the historic Tarcoola Goldfield. Linear structures crossing the project are potential sites for the formation of shear-hosted orogenic lode gold deposits. This project area also holds potential for uranium mineralisation, concentrated in sedimentary roll-front deposits within Tertiary palaeochannels that may extend into the area.

Eureka Bluff project covers an area of 549 square kilometres on the south-western margin of the Gawler Range Volcanics, in a geological setting favourable for an IOCG deposit of the type found at Olympic Dam or Prominent Hill. Major linear structures crossing the project also hold potential for deposition of Tanami style orogenic lode gold mineralisation, deposited from hydrothermal fluids associated with the Gawler Range Volcanics and the co-magmatic Hiltaba Suite granites.

Dingo Hill project lies within the Gawler Range Volcanics Domain and covers an area of 540 square kilometres. The primary interest is a large linear magnetic and gravity feature coinciding with a major flow front in the volcanics, marking the contact between lower Gawler Range Volcanics and upper Gawler Range Volcanics. This flow front would have been a permeable zone, providing sites for the passage and deposition of IOCG style copper and gold mineralisation from hydrothermal fluids associated with the upper Gawler Range Volcanics.

Mattaweara project on the northern Stuart Shelf covers an area of 119 square kilometres, located 30 kilometres north-northwest of Olympic Dam, the world's largest IOCG and uranium deposit. Exploration interest centres on a discrete magnetic body and associated gravity features, which potentially represent a mineralised breccia body similar in style to Olympic Dam.

Waddikee project covers an area of 1,004 square kilometres on central Eyre Peninsula, on the southern Gawler Craton. Banded Iron Formation (BIF) horizons in Palaeoproterozoic rocks are prospective for Broken Hill or Mount Isa style lead-zinc-silver (-copper) mineralisation. Major linear structures in the area show evidence of movement during the time of Hiltaba Suite granite intrusion, making them potential sites for the deposition of gold, copper or uranium mineralisation, especially where they cross-cut reactive horizons, such as BIFs, carbonates or graphite schists. A wealth of data generated by previous exploration in this area provides some targets for immediate follow-up.

AMBROSIA PROJECT

Introduction

The project area lies on the northwestern Gawler Craton of South Australia, approximately 650 kilometres northwest of Adelaide and midway between the historic Tarcoola Goldfield and the producing Challenger Gold Mine. Monax holds Exploration Licence 3358 (EL 3358, Ambrosia), covering an area of 854 square kilometres (Figure 2).

Geological Setting

Interpreted basement rocks in the project area are principally late tectonic granitoids of the Tunkillia Suite, intruding minor Archaean gneisses of the Mulgathing Suite. These rocks are intruded in places by Mesoproterozoic Hiltaba Suite granites. In the northeastern section of Ambrosia, a fault-bounded block of Gawler Range Volcanics forms the basement (Figure 6). Basement rocks are covered in most of the area by relatively thin layers of Mesozoic and Cainozoic sediments, including Algebuckina Sandstone. Incised into the older rocks are Tertiary palaeochannels, the preserved remnants of ancient river channels. The upper branches of the Malbooma Palaeochannel drain southwards from Ambrosia, and the Mulgathing Palaeochannel runs to the northwest. A veneer of Quaternary aeolian sands conceals bedrock over most of the area.

Previous Exploration

The earliest mineral explorers, in the period from 1968 to 1972, concentrated on gold, nickel and base metal exploration in the Proterozoic basement rocks. Kennecott Explorations (Australia) Pty Ltd, Otter Exploration NL, Consolidated Gold Mining Areas NL and Abadon Holdings NL explored during this period.

Tertiary cover sediments became the focus of uranium and brown coal exploration in the following period, from 1973 to 1982. Nissho-Iwai Company (Australia) Pty Ltd (Nissho-Iwai) and PNC Exploration (Australia) Pty Ltd (PNC) conducted a substantial search for sedimentary uranium in the upper reaches of the Wynbring and Malbooma palaeochannels, in the western and southern sectors of the project area. After drilling 514 percussion holes and 29 cored holes, Nissho and PNC outlined widespread roll-front style uranium mineralisation in lignitic Eocene sediments, at a depth of about 30 metres, with assays up to 2,000 ppm U_3O_8 . A resource of 4,000 tonnes with a grade of 0.034% U_3O_8 was indicated at Warrior uranium prospect, 15 kilometres south of Ambrosia (Figure 10). Uranerz (Australia) Pty Ltd (Uranerz) also conducted a search for sedimentary uranium in the north-western sector of Ambrosia in 1974 and 1975. Also during this period CRA Exploration Pty Ltd (CRAE) appraised the Ambrosia area for brown coal (in 1981-82), before undertaking sampling in a search for base metals or kimberlites.

Diamond exploration was the primary focus of Stockdale Prospecting Ltd (Stockdale) in the western Ambrosia area from 1981 to 1988. Stockdale employed a range of diamond exploration techniques before drilling 91 holes, without finding kimberlites or kimberlitic indicator minerals. Subsequent exploration for precious and base metals culminated in the drilling of five percussion holes and one diamond core hole.

Exploration since the late 1980s targeted mainly gold, with some attention also to base metals. Freeport Australian Minerals Ltd explored for gold and base metals in the Bulgunnia area, in the eastern sector of Ambrosia tenement in 1986-87, employing rock-chip and stream sediment sampling. CRAE also used geochemical methods to explore for gold in the Mulgathing region in 1988-89, including the western sector of the project area. CRAE recorded some elevated base metal values.

From the mid 1990s, the development of calcrete gold geochemical techniques encouraged a revival of gold exploration in this region. A consortium including Aztec Mining Company Ltd (Aztec) and Oxford Resources Ltd (Oxford) conducted a significant program between 1992 and 2002, in a search for gold and base metals. Aztec defined several regional calcrete gold anomalies, following up anomalous zones within these. Substantial Rotary Air Blast (RAB), aircore and Reverse Circulation (RC) drilling programs, mainly to the north and west of Ambrosia, returned a best gold intersection of 2 metres @ 600 ppb Au at a depth of 62 metres. This was found at Top Tank prospect in the Muckanippie area, about 20 kilometres north of the project area.

Dominion Gold Operations Pty Ltd in 1994-95 conducted calcrete gold geochemical surveys in southern Ambrosia, outlining low-order anomalous gold in calcrete, which was not upgraded by later infill sampling. Websters Find Gold Pty Ltd (Websters) explored an area extending into central Ambrosia between 1994 and 2001, for copper-gold and base metals. Websters concentrated on regional calcrete sampling, outlining several areas of sporadic low-level anomalous gold up to 14 ppb Au. Infill sampling confirmed the anomalies without upgrading them. Drilling of 11 RAB holes revealed an 80 metres thick cover of younger sediments and weathered saprolite over basement rocks, without yielding significant gold or base metal values.

Magnum Gold NL (Magnum) explored for gold and base metals in western Ambrosia from 1996 to 2002, using predominantly calcrete geochemical sampling. Magnum outlined several coherent gold anomalies containing more than 5 ppb Au. Infill sampling defined the Halls Tank prospect, which returned peak gold values of 20 ppb Au. However, drilling of 48 RAB holes yielded a maximum of 110 ppb Au. Magnum noted that anomalous concentrations of gold in calcrete coincided with basement fracture zones having a degraded magnetic response.

Other gold explorers included Delta Gold Exploration Pty Ltd (1998-99) and Bullion Minerals Ltd (2002-03), both of whom assessed past work without undertaking further exploration.

Exploration Potential

Recent ongoing research conducted by the Gawler Craton Team with the aid of an Australian Research Council (ARC) Linkage grant has provided an understanding of the tectonic framework of the Gawler Craton. This understanding will contribute to the development and effective application of new exploration models for this area by Monax. The company's targets in Ambrosia will be IOCG style copper-gold-uranium deposits, Tanami style orogenic lode gold deposits and sedimentary roll-front uranium deposits.

The Ambrosia project lies near the margin of the Gawler Range Volcanics, therefore the rocks marginal to the volcanics occupied a high crustal level, sub-volcanic environment during extrusion of the volcanics and emplacement of the co-magmatic Hiltaba Suite granites. Because of this proximity to the margin of the Gawler Range Volcanics Domain, together with the presence of Hiltaba Suite granites, Ambrosia occupies a favourable geological environment for the formation of an IOCG deposit of the Olympic Dam or Prominent Hill type (Figure 6). Several coincident gold and copper calcrete anomalies identified by previous explorers are pointers to potential target areas. Systematic calcrete sampling by past explorers did not cover the northern section of Ambrosia, leaving an opportunity for Monax to complete coverage of the area (Figures 8 & 9).

Research by the Gawler Craton Team led to the recognition in 2003 of the central Gawler Craton gold province, in which the Ambrosia project lies. This is interpreted as an orogenic lode style gold province, apparently related to subduction on the western Gawler Craton, with mineralisation deposited from fluids derived from reduced Hiltaba Suite magmas. Because orogenic gold provinces are thought to contain more gold worldwide than anorogenic provinces, the central Gawler Craton gold province is considered highly prospective for gold. Ambrosia is crossed by conjugate northeast-trending and northwest-trending faults, which are interpreted to have been active during intrusion of Hiltaba Suite granites (Figure 6). The northwest-trending faults are thought to be dilational structures, which would make them potential sites for deposition of gold from mineralising fluids introduced by the granites. Ambrosia lies near the margin of the Gawler Range Volcanics Domain, and Monax believes the volcanics could have acted as a seal, trapping mineralising fluids beneath them, to be released along dilational fault structures to form large gold deposits.

Ambrosia also has potential for the discovery of sedimentary roll-front style uranium deposits in the Tertiary palaeochannels. The project covers the interpreted headwaters of the Mulgathing, Malbooma and Wynbring channels. Warrior uranium prospect, discovered in the 1970 –1980 period of exploration, lies 15 kilometres south of the project area, on a tributary to the Malbooma Palaeochannel (Figure 10).

Proposed Exploration Program

Monax will use new understanding of calcrete sampling and regolith profiles developed by the Cooperative Research Centre for Landscape Environments and Mineral Exploration (CRC

LEME) to assess results of past calcrete sampling and guide future work. Monax proposes to extend calcrete sampling to cover the sections of Ambrosia not sampled by previous explorers and to undertake infill calcrete sampling around several gold and copper anomalies identified by previous work, but not followed up (Figures 8 & 9). Geochemical targets generated by the calcrete sampling will be further assessed for their IOCG potential by gravity surveys or from their proximity to dilational structures interpreted from detailed magnetic data for their lode gold potential. Drilling targets will then be defined by the use of advanced three-dimensional modelling techniques.

Exploration for sedimentary uranium will involve mapping of the Tertiary palaeochannels by interpretation of remote sensing images, including airborne radiometric and satellite imagery,

and by gravity surveys, to better define channel locations and profiles. Monax also plans infill radiometric surveys to define target areas for testing by drilling.

MOORLANDS – MOUNT HOPE PROJECT

Introduction

Monax hold two tenements on lower Eyre Peninsula, Mount Hope (EL 3355) and Moorlands (EL 3356), with a combined area of 644 square kilometres (Figure 2). This region is notable for the relatively recent identification of Archaean greenstones and felsic volcanics beneath the blanket cover of recent sediments.

Geological Setting

The project covers mainly Archaean rocks of the Coultas Domain, dominated by gneisses of the Sleaford Complex. Intercalated with these gneisses are felsic, mafic and ultramafic volcanics. Adjacent to Mt Hope area is a north-trending belt of sediments and volcanics known as the Hall Bay Volcanics. Complexly inter-folded with the gneisses in both project areas is the relatively recently discovered greenstone sequence of the Coultas Greenstone Domain. The Coultas sequence is interpreted as a southern extension of the Harris Greenstone Belt and like that domain also contains komatiites. Along the eastern margin of Moorlands, metasediments of the Palaeoproterozoic Hutchison Group form the bedrock. Intruding both the older basement rocks are late Palaeoproterozoic granitoids of the Lincoln Complex (Figure 11). Tertiary palaeochannels are known to cross the area, although their courses are not well defined at present. Outcrop is rare throughout the project areas, with bedrock covered by a variety of Quaternary sediments in most places.

Previous Exploration

A limited number of companies has explored the project area since 1970, in search of a variety of metallic and industrial minerals.

Between 1970 and 1976, Endeavour Minerals NL and Uranerz conducted uranium exploration programs. Uranerz searched for sedimentary uranium in carbonaceous and pyritic Tertiary sands, using a geological model that envisaged uranium being leached from known primary source rocks in the nearby Lincoln Uplands. Uranerz drilled 24 rotary holes in selected palaeochannel sites, but encountered only low uranium concentrations.

Kaolin was an exploration target from 1971 until 1988. Blacker Motors Pty Ltd, Loch Shiel Pty Ltd and South Australian Kaolin Pty Ltd each assessed the Mt Hope kaolin deposits.

CRAE explored for lignite in the southern Polda Basin from 1980 to 1982. CRAE outlined possible resources of Jurassic and Eocene coals, but these were thin, discontinuous and of generally poor quality. CRAE also assayed the basement samples from their 31 drill holes for base metals, without finding any anomalies.

J.F. Gillfillan and Associates Pty Ltd assessed gypsum deposits at Lake Malata in 1985-86, outlining proven and inferred resources. These deposits were reported to be suitable for plaster manufacture, but only after beneficiation.

Stockdale explored for diamonds in the Mt Hope area from 1988 to 1992. Although Stockdale located and drilled two kimberlites, both were small, covered by up to 50 metres of Cainozoic sediments, and apparently non-diamondiferous.

Base metal exploration in the area dates from 1984, when CSR Ltd targeted BIF horizons within Palaeoproterozoic Hutchison Group as potential host rocks for stratiform lead-zinc deposits. CSR drilled 80 RAB holes, which did not encounter anomalous concentrations of base metals.

Lynch Mining Pty Ltd (Lynch) explored the region embracing both tenements for base metals and gold, from 1994 until 2004. Lynch identified basement rocks similar to those of prospective Archaean terranes in Canada. Work focussed on the Coffin Bay magnetic anomaly, where 81 aircore holes were drilled. Age dating confirmed a late Archaean age for the basement rocks, which were highly anomalous for gold, lead, zinc, copper and molybdenum. Further aircore and diamond drilling by PIRSA confirmed that the rocks included meta-volcanics and contained anomalous concentrations of base and precious metals. In a subsequent joint venture, BHP Billiton Ltd explored an area to the east, including Moorlands project area. Although drilling of 175 aircore holes identified some base metal anomalies, these were not on a scale to interest BHP Billiton.

Goldstream Mining NL explored for gold and base metals from 1997 to 1999, in programs covering Moorlands and bordering Mt Hope. RAB and aircore drilling to the north and west of Moorlands encountered some moderately elevated gold and base metal values, but no evidence of hydrothermal alteration.

Exploration Potential

Recent advances in knowledge of the concealed basement geology of the Moorlands – Mount Hope project area reveal this an area with potential for Archaean nickel sulphide and gold deposits of the Eastern Goldfields (WA) type and for Archaean Abitibi (Canada) VHMS style copper-zinc mineralisation.

Archaean greenstones containing komatiites have been reported from exploration drilling by other companies working immediately north of the project area, indicating that this region is prospective for nickel sulphide mineralisation. Because the greenstone sequence contains magnetic units, such as amphibolites, it will be possible to identify potential repetitions of the sequence using magnetic data and to target these for nickel exploration. Numerous untested linear magnetic anomalies in the project areas provide such targets, revealed by high quality detailed magnetic data acquired between 1998 and 2002, during the Targeted Exploration Initiative South Australia (TEISA).

Felsic units in the Archaean Hall Bay Volcanics may be a target for VHMS deposits. Copper-zinc mineralisation of this style was recently reported by another company north of the project areas. Monax believe repetitions of the volcanic sequence are likely within the project areas and these would be prospective for VHMS deposits.

Tertiary palaeochannels are known to cross the project area, draining areas of granitic rocks that could have provided a source for sedimentary uranium, to be concentrated in roll-front deposits. The uranium potential of these channels has been neglected since the earlier exploration of the 1970s.

Proposed Exploration Program

Monax will undertake regional calcrete and soil geochemical sampling, to identify areas anomalous in nickel or base metals. These will be the first comprehensive geochemical coverage of this region and will benefit from knowledge of regolith geochemical profiles gained by recent studies by CRC LEME.

Because depth to bedrock is generally less than 70 metres, Monax believes electromagnetic (EM) geophysical survey methods will be effective in searching for metal sulphide mineralisation under cover, and will combine EM surveys with a detailed aeromagnetic survey and geochemical surveys to provide an effective exploration tool for both nickel sulphide and VHMS mineralisation. EM conductors highlighted by this process will then be drill tested where warranted.

Sedimentary uranium exploration in the Tertiary palaeochannels will employ the same techniques as those proposed for Ambrosia and Wynbring projects.

PARNDANA AND WESTERN RIVER PROJECT

Introduction

Monax holds EL 2725 (Parndana, now ELA 190/2005) and EL 3088 (Western River), which cover a combined area of 288 square kilometres of cleared grazing country, centred about 40 kilometres southwest of Kingscote on Kangaroo Island (Figure 2). The tenements were acquired from Havilah Resources NL, which intersected up to 5 metres @ 26.9% zinc at shallow depth in RC holes drilled during 2003, indicating the potential to outline a significant high grade zinc resource.

Geological Setting

Bedrock in the project area generally consists of shelf sediments of Cambrian age. The tenements enclose a section of the east-west trending Snelling-Cygnnet fault zone for a distance of nearly 40 kilometres (Figure 14). North of this fault zone lightly metamorphosed sediments of the Kangaroo Island Group crop out. These include siltstones and fine sandstones of greenschist facies. South of the fault zone are more highly metamorphosed Kanmantoo Group metasediments of lower amphibolite facies. The fault zone is a deep crustal feature, and is interpreted to coincide at depth with the southern margin of the Gawler Craton. Gold and base metal occurrences are found along much of the Snelling-Cygnnet fault zone, including the historic Grainger mine and the Kohinoor goldfield (Figure 13).

Previous Exploration

Past exploration in the tenement area, which dates from 1968, has been relatively limited. Commodities targeted included base metals, bauxite, kaolin, gold, diamonds and, most recently, zinc.

Base metal exploration carried out between 1968 and 1982 by Elcor Australia Pty Ltd, AOG Minerals Pty Ltd, Aquila Minerals Ltd, Preussag Australia Pty Ltd and Shell Company of Australia Ltd, included stream sediment and soil geochemical surveys, IP and resistivity surveys and limited diamond drilling. At Grainger mine, Preussag outlined a large area of elevated lead-zinc concentration in soils. AOG established the presence of sub-economic lead-zinc-copper mineralisation at Dewrang prospect, where five diamond drill holes revealed the presence of micro-fracture fillings rich in sphalerite, chalcopyrite, galena and marcasite, sometimes accompanied by low temperature hydrothermal alteration.

Comalco Ltd explored the area for bauxite and kaolin in 1978-79, but auger drilling did not encourage further work.

Gold exploration between 1987 and 1993, by Tectonic Systems Pty Ltd and Pasminco Australia Ltd (Pasminco), focussed on the Cygnnet mine. Tectonic Systems reported low-order gold values in RC drilling, whilst RAB drilling by Pasminco intersected anomalous copper (487 ppm Cu) and weak epigenetic gold mineralisation (up to 0.33 ppm Au) at Cygnnet mine. Pasminco also reported elevated base metal values in drill holes at Dewrang prospect, but did not consider them sufficiently encouraging to warrant further work.

Department of Mines and Energy South Australia (SADME) investigated the Grainger mine from 1989 to 1990. Drilling of 14 percussion holes confirmed the presence of zinc

mineralisation in Cambrian bedrock beneath the Preussag soil anomaly. The best intersection was 16 metres @ 2.69% Zn, 0.45% Pb and 1.7 g/t Au. SADME suggested that the laterite cover may be masking the surface geochemical response from this mineralisation.

Carnegie Minerals NL explored for diamonds on Kangaroo Island from 1996 to 1998. Stream sediment sampling did not recover diamonds or kimberlitic indicators.

From 2002 to 2004, Havilah investigated the Grainger mine, following up earlier work by SADME. Havilah drilled 32 shallow aircore holes and intersected high-grade zinc mineralisation at shallow depth (less than 40 metres), with assays ranging up to 26.9% Zn, accompanied by up to 9.4% Pb. The zinc-lead mineralised zone continues along strike for at least 400 metres and lies within a broader halo of lower-grade, disseminated zinc and lead mineralisation. Assays up to 0.5 ppm gold and 9.4 ppm silver were also recorded. Havilah showed that the pisolitic laterite layer was generally less than two metres thick, contained anomalous concentrations of zinc and lead in places, and was thus probably a valid soil sampling medium for geochemical surveys.

Exploration Potential

The Parndana and Western River project is prospective for base and precious metal mineralisation, associated with the Cygnet–Snelling fault zone. The fault zone is a deep crustal feature, which Geological Survey geologists believe coincides at depth with the southern boundary of the Gawler Craton. Gold and base metal occurrences are found along much of the Snelling-Cygnet fault zone, including six historic mines, such as the Grainger mine and the Kohinoor goldfield (Figure 13). These deposits are evidence of an extensive hydrothermal alteration and vein system related to the fault structure. Aeromagnetic data indicate that a distinct magnetic low marks the Snelling-Cygnet fault zone in the vicinity of the Grainger mine (Figure 15). This phenomenon is apparently due to de-magnetisation of the Cambrian host rocks by mineralising fluids channelled through the fault zone.

High-grade zinc mineralisation, discovered by Havilah at Grainger mine, forms stockworks of thin quartz-sphalerite-galena veins, invading a silicified greywacke host rock. A halo of lower-grade disseminated zinc and lead mineralisation surrounds the stockworks over a strike length of at least 400 metres. These results indicate that the Grainger mine area is a focus of significant hydrothermal base metal mineralisation, with associated precious metal values. Further drilling offers the potential to define a significant economic metal resource.

Monax considers that a marked kink in the fault zone at the Grainger mine (Figure 14) may reflect a secondary structural control. Further exploration will be assisted by the discovery that the surficial laterite layer may not hinder soil geochemical surveys to the extent previously thought. At Dewrang prospect, which lies on the fault zone 4 kilometres west of Grainger mine, the possibility of widespread lead mineralisation is indicated by anomalous soil geochemistry.

Proposed Exploration Program

Monax anticipate that the Grainger mine mineralisation would be a good EM conductor, therefore an EM survey will be combined with geochemical sampling to define the extent of

the zinc-lead deposit, before undertaking further drilling to evaluate the mineralisation. Drilling will also test for extensions or repetitions along strike and at depth.

At Western River, a series of east-west trending linear magnetic features recognised by Monax and interpreted as faults will be better defined by infill aeromagnetic surveys. Once clearly defined, the linear zones will be covered by geochemical sampling to define further drilling targets, similar to those already being explored at Grainger mine and Dewrang prospect.

WYNBRING PROJECT

Introduction

The project area lies on the northwest Gawler Craton of South Australia, approximately 650 kilometres northwest of Adelaide and 70 kilometres west of the historic Tarcoola Goldfield. Monax holds EL 3359 (Wynbring), covering an area of 247 square kilometres (Figure 2).

Geological Setting

Interpreted basement rocks in the project area are principally late tectonic granitoids of the Palaeoproterozoic Tunkillia Suite, intruding minor Archaean gneisses of the Mulgathing Suite. Wynbring covers most of a large intrusive body interpreted by Monax as a diorite intrusion, based on drill hole intersections by past explorers. Regionally, these rocks are intruded in places by Mesoproterozoic Hiltaba Suite granites (Figure 16). Basement rocks are covered in most of the area by a relatively thin cover of Cainozoic sediments. Incised into the older rocks are Tertiary palaeochannels, representing the preserved remnants of ancient river channels, one of which may extend into Wynbring. A veneer of Quaternary aeolian sands conceals bedrock over most of the area.

Previous Exploration

The earliest mineral exploration was from 1971 to 1972, when Consolidated Gold Mining Areas NL explored for nickel and base metal in the Proterozoic basement rocks.

Stockdale Prospecting Ltd (Stockdale) explored for diamonds in the Wynbring area from 1981 to 1988, without finding kimberlites or kimberlitic indicator minerals. Subsequently Stockdale explored for precious and base metals. Stockdale drilled three holes near the northeastern corner of the project area.

Exploration since the late 1980s targeted mainly gold, with attention also to base metals. Pan Australian Mining Ltd searched for gold in the Wynbring area from 1988 to 1991, drilling 21 RAB holes in the western section of the project area.

From the mid 1990s, the development of calcrete gold geochemical techniques encouraged a revival of gold exploration in this region. Websters Find Gold Pty Ltd (Websters) explored an area adjacent to the northern border of Wynbring between 1994 and 2001, looking for copper-gold and base metals. Websters concentrated on regional calcrete sampling north of Wynbring project area.

Magnum Gold NL (Magnum) explored for gold and base metals from 1996 to 2002, using predominantly calcrete geochemical sampling. Regional grid sampling covered areas to the northeast and east of Wynbring, where sand cover was found minor, but only 20 calcrete samples were collected in the project area, because of thick aeolian dune sands.

Other gold explorers included Bullion Minerals Ltd (2002-03), who assessed past work without undertaking further exploration.

Exploration Potential

As at Ambrosia, Monax exploration models for Wynbring will benefit from recent research on the tectonic framework of the Gawler Craton, conducted by the Gawler Craton Team. The company's main target in Wynbring will be Tanami style orogenic lode gold deposits related to Hiltaba Suite granite intrusion.

Wynbring project partly covers a large interpreted diorite intrusion, visible on aeromagnetic images, around which regional fault structures appear to be wrapped, providing potential trap sites for lode style gold mineralisation. Like Ambrosia, Wynbring is also crossed by interpreted northwest-trending dilational structures, active at the time of Hiltaba Suite granite intrusion, and which could provide favourable sites for gold deposition (Figure 16). Also extending into Wynbring is a major magnetic lineament, representing a major fault structure, which hosts the historic Kycherling Hills gold workings, 30 kilometres to the east (Figures 16 & 17).

Wynbring provides an opportunity for Monax to explore an area that has received relatively little attention to date. The area was not covered by the detailed SAEI or TEISA aeromagnetic surveys of the 1990s, so magnetic data can be significantly upgraded.

Geochemical data are also lacking in this area. Wynbring was not systematically covered by calcrete sampling during previous exploration, so except for two traverses the project area is a greenfields target in this respect.

A branch of the Wynbring Palaeochannel may extend into the Wynbring project, so this area may also have potential for the discovery of Tertiary sedimentary roll-front style uranium deposits. Warrior uranium prospect lies 15 kilometres northeast of the project, on a tributary to the Malbooma Palaeochannel (Figure 10).

Proposed Exploration Program

Monax will undertake a detailed aeromagnetic survey to upgrade the magnetic data and the interpretation of basement geology. This will better define the structures targeted for gold mineralisation.

Monax also proposes to undertake calcrete sampling of the entire project area. Geochemical anomalies detected by the calcrete sampling will be followed up with infill sampling designed to outline coherent anomalies. Drilling targets will be defined where significant anomalies are in close proximity to dilational structures interpreted from detailed the magnetic data.

As at the nearby Ambrosia project, exploration for sedimentary uranium will involve mapping of the Tertiary palaeochannels by interpretation of remote sensing images and by use of gravity surveys. Infill radiometric surveys will define target areas for drill testing.

EUREKA BLUFF PROJECT

Introduction

The project area lies on northern Eyre Peninsula, on the south-western margin of the Gawler Range Volcanics Domain, about 370 kilometres northwest of Adelaide. Monax holds Exploration Licence Application (ELA) 59/05 (Eureka Bluff), which covers an area of 549 square kilometres (Figures 2 & 5).

Geological Setting

Bedrock at Eureka Bluff is mainly Mesoproterozoic upper Gawler Range Volcanics, although there are some lower Gawler Range Volcanics exposed. The tenement immediately abuts Palaeoproterozoic Sleaford Complex and Hutchison Group rocks, lying to the south and probably separated by a faulted contact (Figure 18). The nearest mapped occurrence of Hiltaba Suite granite is about 10 kilometres to the south, where it intrudes Palaeoproterozoic basement. Structure within the area is dominated by conjugate northeast and northwest trending lineaments, representing faults, which coincide with narrow depressions where bedrock is covered by Quaternary sediments. Elsewhere, outcrop of bedrock is excellent.

Previous Exploration

After early diamond exploration, beginning in 1981, the tenement area was the focus for mainly base metals and gold investigations. Stockdale searched the region for diamonds between 1981 and 1988, resulting in the drill testing of two anomalies. Stockdale also explored for stratabound lead-zinc-silver deposits in Palaeoproterozoic Hutchison Group rocks. Follow-up included drilling of 383 RAB and percussion drillholes and two diamond core holes, one of which made minor lead-zinc intersections. However, little of this exploration appears to have impacted on the Eureka Bluff area. In partnership with Western Mining Corporation Ltd (WMC), Stockdale sought epithermal vein style gold, undertaking regional stream sediment BLEG sampling.

CRAE also explored for diamonds, from 1985 to 1991, discovering one micro diamond, but no further indicators. From 1989 to 1991, CRAE explored for gold and base metals associated with possible volcanic centres in the Gawler Range Volcanics. Several interpreted eruptive centres were recognised. Minor base metal mineralisation was detected at Sherry Dam, about 40 kilometres north of Eureka Bluff area. CRAE also recognised similarities between the Gawler Range Volcanics and other alkaline igneous rocks of similar age in Sweden, Missouri and Canada. A secondary target was Olympic Dam style IOCG deposit.

Helix Resources NL (Helix) and AngloGold Australasia Ltd (Anglogold) searched for gold and base metals in the western sector of the tenement from 1995 to 2001. Gold mineralisation was anticipated in fracture zones and associated with a possible volcanic vent in Gawler Range Volcanics. Regional stream sediment and calcrete geochemical surveys detected only minor gold anomalism. A possible volcanic vent was drill tested, yielding low-level gold and base metals, with inconclusive results.

Rasp Resources NL (Rasp) explored the western sector of the tenement for base and precious metals from 1977 to 2000. Appraisal of existing geological data generated several promising

targets, including a quartz-veined northwest trending lineament. However, Rasp undertook no further work.

Exploration Potential

Because of its geological setting and structural style, Eureka Bluff project has potential for both Olympic Dam or Prominent Hill style IOCG deposits and Tanami style orogenic lode gold deposits. Monax exploration models for the area are derived from recent research on the tectonic framework of the Gawler Craton, conducted by the Gawler Craton Team. Eureka Bluff was also covered by the recent TEISA aeromagnetic surveys, which provide high quality data not available to earlier explorers. Regional calcrete surveys have not covered this area in the past, an omission Monax will be able to exploit. A regional gravity survey currently being made in this area by Primary Industry and Resources South Australia (PIRSA), with the aim of targeting Prominent Hill style mineralisation, will greatly assist exploration for IOCG deposits in this area.

The Eureka Bluff project lies near the margin of the Gawler Range Volcanics, which implies that the rocks marginal to the volcanics occupied a high crustal level, sub-volcanic environment during extrusion of the volcanics and emplacement of the Hiltaba Suite granites. This was a similar geological environment to those where the Olympic Dam and Prominent Hill IOCG deposits formed. The Menninnie Dam prospect, which lies in a similar setting 40 kilometres east of Eureka Bluff project, is associated with a volcanic vent at the unconformity between Palaeoproterozoic rocks and the base of the overlying Gawler Range Volcanics. Menninnie Dam has been interpreted as a hydrothermal system associated with high-level intrusives, breccias and iron alteration, which are features of an IOCG deposit. Several other volcanic vents have been identified along the southern margin of the Gawler Range Volcanics, by previous explorers. This margin is largely controlled by a major regional system of east-west trending faults.

Like Ambrosia, the project lies near the margin of the Gawler Range Volcanics, which are envisaged as forming a seal, confining mineralising hydrothermal fluids and channelling them to the edge of the volcanics before allowing them to escape. The conjugate set of major northwest and northeast trending fractures was active during Hiltaba Suite granite intrusion and could have allowed mineralising fluids to escape from the sealed system, into any dilational structures formed at that time. Zones of demagnetisation have been recognised along various structures, which may have formed by alteration of the wall-rocks during the passage of hydrothermal fluids. This process has the potential to form large orogenic lode style gold deposits. Gold mineralisation at Barnes gold prospect, 30 kilometres south of Eureka Bluff, appears to be controlled by similar structures.

Proposed Exploration Program

In the search for IOCG deposits, Monax will assess the TEISA aeromagnetic data and gravity data from the new PIRSA survey, identifying any partly-coincident gravity and magnetic anomalies. Drilling of any targets identified will follow after infill gravity and magnetic surveys and geophysical modelling have defined the most prospective IOCG targets.

Monax will identify structural targets for gold mineralisation, beginning with a structural interpretation of detailed magnetic data. Potential structural targets will be further assessed by

calcrete, soil and rock geochemical sampling, before drill testing of coincident geochemical anomalies and structural targets.

DINGO HILL PROJECT

Introduction

The project area lies in the Gawler Ranges, in the centre of the Gawler Range Volcanics Domain, about 450 kilometres northwest of Adelaide. Monax holds ELA 55/05 (Dingo Hill), which covers an area of 540 square kilometres (Figures 2 & 5).

Geological Setting

Bedrock at Dingo Hill is Mesoproterozoic Gawler Range Volcanics. Upper units of the Gawler Range Volcanics in the southeast of the tenement overlie lower Gawler Range Volcanics, which crop out in the northwestern section (Figure 20). Outcrop is relatively good, with only a veneer of Quaternary sediments covering bedrock in most places.

Previous Exploration

Relatively little intensive exploration was conducted in the Dingo Hill area in the past. The main commodities targeted by past explorers were uranium, diamonds, base metals and gold. Investigations began in 1971 with a reconnaissance by K.K. Euler.

Afmeco Pty Ltd (Afmeco) searched for uranium in the western sector of the tenement from 1980 to 1983, drilling 11 percussion and diamond core holes. A further 13 percussion holes tested ground magnetic anomalies for the presence of kimberlites, but encountered magnetic Gawler Range Volcanics. Utah Development Company (Utah) explored the eastern sector of Dingo Hill from 1980 to 1982, analysing samples for base metals, arsenic and nickel. Utah also examined stream gravel samples for kimberlite indicators.

From 1988 to 1990, BHP Gold Mines Ltd (BHP) explored the entire tenement area for gold, undertaking regional Bulk Leach Extractable Gold (BLEG) stream sediment surveys. Some low-order gold anomalies were followed up in the northern sector. Western Mining Corporation Ltd (WMC) explored the southern sector of Dingo Hill for base and precious metals between 1992 and 1995. Follow-up drilling included three RC holes and one diamond core hole. Helix Resources NL targeted gold and base metals in the northern part of the tenement in 1995-96, finding that earlier-reported geochemical anomalies could not be substantiated.

Homestake Gold of Australia Ltd undertook regional calcrete sampling in a search for gold in the southern part of the tenement from 1996 to 1999. Aurora Gold (WA) Pty Ltd explored for gold and base metals in 1979-98. Calcrete sampling indicated low-order gold, arsenic and base metal anomalies, but these did not generate targets worthy of further work.

Exploration Potential

Monax believes that Dingo Hill project has potential for IOCG deposits localised by crustal-scale fault systems developed in the region. These faults were active during extrusion of the Gawler Range Volcanics and controlled their deposition. They would also have provided pathways for mineralising solutions, as well as trap sites for mineral deposits.

The northern margin of the upper Gawler Range Volcanics in Dingo Hill area forms a northeast-trending, linear magnetic and gravity feature, indicating that this was a major flow front in the volcanics (Figure 21). This front would have been a permeable zone, potentially subject to alteration by hydrothermal fluids released from beneath the volcanics. Potential

trap sites along this zone could accumulate significant concentrations of base or precious metals associated with the high crustal level volcanic event, including copper and gold.

Proposed Exploration Program

Monax will assess the existing aeromagnetic and gravity data, to identify any partly coincident gravity and magnetic anomalies that could reflect an IOCG deposit. Drilling of any targets identified will follow after infill gravity and magnetic surveys and geophysical modelling have defined the most prospective targets.

In a search for structurally controlled gold mineralisation, Monax will identify potential structural targets, beginning with an interpretation of detailed magnetic data. Potential structural targets identified will be further assessed by calcrete, soil and rock geochemical sampling, before drill testing.

MATTAREARA PROJECT

Introduction

Monax holds EL 2964 (Mattareara), which covers an area of 119 square kilometres on the northern Stuart Shelf, approximately 550 kilometres north-northwest of Adelaide and 30 kilometres north-northwest of Olympic Dam, the world's largest IOCG deposit (Figure 2).

Geological Setting

Crystalline basement rocks of the region are concealed by younger sediments, but are interpreted from geophysical data as an ancient eroded surface of Palaeoproterozoic and Mesoproterozoic rocks, including Mulgathing Complex, Hutchison Group, Gawler Range Volcanics and Hiltaba Suite granites, all of which have been intersected at depth in different places. Brecciated Hiltaba Suite granite hosts the Olympic Dam orebody, 30 kilometres to the southeast (Figure 23). Overlying the basement are gently-dipping to flat-lying Stuart Shelf sediments of Mesoproterozoic and Neoproterozoic age, which range from 300 metres to more than 1,000 metres thick in this region. Surficial Quaternary deposits cover the entire tenement.

Previous Exploration

Only a small number of previous exploration tenements covered this area. In 1966, Mines Exploration Pty Ltd targeted the basal Cambrian dolomites of the Flinders Ranges and Stuart Shelf for lead-zinc mineralisation of the Ediacra type, in an area covering nearly 37,000 square kilometres.

From 1976 to 1986, the current tenement lay within a larger area of about 12,000 square kilometres investigated by Western Mining Corporation Ltd, in a search for IOCG deposits of the Olympic Dam type. Within that larger area, WMC identified a number of coincident magnetic and gravity anomalies as potential targets. Drilling of several of those targets disclosed minor copper mineralisation or anomalous geochemistry at several prospects outside the current tenement. The closest feature investigated by WMC was the Double Swamp magnetic anomaly, which was considered too deep and so never drilled by WMC.

Since 1997, this tenement has been held by Havilah Resources NL (Havilah). From 1997 to 2004, Havilah investigated the Mattareara magnetic anomaly, which was identified by detailed aeromagnetic surveys and lies immediately southeast of the deeper Double Swamp anomaly (Figure 22). The Mattareara anomaly was modelled as a smaller body (3.0 x 1.1 kilometres) at a depth of about 400 metres, i.e. possibly within the Neoproterozoic (Adelaidean) cover sequence above the Gawler Craton basement. Detailed gravity surveys revealed two local gravity highs within a broader feature. One of these highs lies on the flank of the Mattareara magnetic anomaly, which suggests that both anomalies have a common source. Modelling suggested that the gravity and magnetic responses may be due to a deeper mafic complex, with smaller bodies as shallow as 250 metres causing the two local gravity peaks. Havilah drilled a deep percussion hole to investigate the northern gravity high. The hole intersected Adelaidean sediments to 555 metres and terminated at 602 metres in red gritty sandstones of the Pandurra Formation, without explaining the geophysical anomalies. Either the hole missed the target, or the target is deeper. The possibility of a near miss was tested by a down-hole electro-magnetic (EM) survey. Results showed no obvious conductive body near the drill hole, although more sophisticated modelling may detect a subtle effect from such a source.

The area to the north of the current tenement, including a relinquished portion, was subsequently acquired by Minex (SA) Pty Ltd, to explore for Olympic Dam style IOCG mineralisation. Evaluation of regional open file geophysical data highlighted gravity anomalies associated with magnetic complexes, but no significant gravity anomalies were identified in this area.

Exploration Potential

Mattaweara is an IOCG target. The project area is only 30 kilometres from the Olympic Dam mine and lies within the same major, north-northwest trending structural corridor. Havilah, the previous tenement holder, defined a discrete magnetic body, the Mattaweara Magnetic Anomaly (Figure 22). Havilah is the only company to explore this region since high quality aeromagnetic data was collected by the TEISA survey. The Mattaweara anomaly was modelled as a steeply plunging cylindrical feature, which might be a mineralised breccia body similar to Olympic Dam. Havilah attempted to test this target in 2002 with a deep RC hole, which penetrated to 602 metres without reaching basement or intersecting the geophysical target. There is potential for further testing of this target.

Proposed Exploration Program

Monax intends to follow Havilah's recommendation, to better define the geophysical target by conducting further down-hole EM or Induced Polarisation (IP) geophysical surveys or by continuing the hole to greater depth. Drilling costs could be reduced significantly by wedging off near the bottom of Havilah's hole. The opportunity also exists to apply for a funding subsidy via Primary Industry and Resources South Australia (PIRSA), to drill a stratigraphic hole under the government PACE program. This would approximately halve the drilling costs.

WADDIKEE PROJECT

Introduction

The project lies on central Eyre Peninsula, about 270 kilometres northwest of Adelaide. Monax holds EL 3357 (Waddikee), which covers an area of 1,004 square kilometres (Figure 2).

Geological Setting

Bedrock in the project area is made up mainly of Palaeoproterozoic Hutchison Group metasediments and intercalated, late syn-tectonic granitoids (Figure 25). The Hutchison Group includes chemical and pelitic metasediments and iron formations. The iron formations are magnetic and are related to those forming the iron ore deposits of the Middleback Range. They have also been the focus of exploration for Broken Hill style stratiform base metal mineralisation, such as that which lead to the discovery of Menninnie Dam lead-zinc-silver prospect in 1982. Minor inliers of Archaean Sleaford Complex crop out in places. A thin cover of Quaternary sand, clays and other sediments obscures bedrock in most places.

Previous Exploration

Since the earliest recorded exploration in 1967, the Waddikee area has been a focus for several phases of quite intense mineral exploration. The main target was uranium, base metals or gold, but aluminium, diamonds, silver and iron ore were also sought.

From the late 1960s, the upper Eyre Peninsula was seen as having potential for Northern Territory style uranium deposits. Kerr-McGee Australia Ltd (Kerr-McGee) explored for epigenetic and stratabound uranium from 1967 to 1969. Kerr-McGee reported finding both disseminated vein type primary mineralisation and iron oxide hosted secondary uranium mineralisation at many locations. Most radiometric airborne anomalies appeared to be due to abundant feldspars in basement gneisses. Uranium mineralisation in the basement rocks was not stratigraphically controlled, but occurred in fault breccias and shear zones.

From 1969 to 1972, Mines Administration Pty Ltd (Minad) searched for sedimentary uranium indicated by the earlier work of Kerr-McGee. Significant uranium concentrations were found in Tertiary channel sands or carbonaceous beds, but these were discovered to the southwest of the Waddikee tenement.

In 1974, Urangesellschaft Australia Pty Ltd investigated aerial radiometric anomalies in sediments overlying granite at Carapsee Hill. Those granites contained sporadic low-grade uranium mineralisation. However, economic concentrations of uranium were not found in either the Tertiary sediments or the Precambrian granites.

Wyoming Mineral Corporation (Wyoming) and others, including Esso Exploration and Production Australia Inc. (Esso) and Shell Company of Australia Ltd (Shell), explored for uranium from 1978 to 1985, following an Alligator Rivers (NT) model. This model anticipated uranium deposits forming in Palaeoproterozoic carbonaceous pelites and carbonate rocks of the Hutchison Group, underlying a Mesoproterozoic unconformity. The best assays returned 100 - 350 ppm U_3O_8 , and were recorded in Hutchison Group metasediments and lateritic ironstone cappings over granites. This work was mainly centred to the southeast of the tenement area. Wyoming subsequently switched to stratiform base

metal exploration in the Hutchison Group, reporting anomalous zinc-bearing pyritic gossan zones bearing up to 1,980 ppm Zn at the Stanley mine.

Between 1977 and 1985, CRAE explored for uranium along the early to middle Proterozoic unconformity in the Campoona Syncline. Most uranium anomalies were found to be associated with surficial sand cover.

Pancontinental Mining Ltd explored for uranium from 1979 to 1982, targeting both uranium in the Proterozoic basement and in the Cainozoic cover sediments. Detailed exploration was undertaken in several areas, mainly to the south of the tenement.

Pechiney Australia Pty Ltd (Pechiney) explored the area from 1969 to 1973, ostensibly for kaolin, but the actual goal was to secure a foothold on the kaolinitic clays of the Tertiary weathering profile on Eyre Peninsula, as a possible long-term resource of aluminium.

From 1967 to 1969, R.P. Norton & A.J. Trezise, the holders of copper claims in the area, investigated a gossanous manganese and iron oxide occurrence associated with Palaeoproterozoic graphitic schists and gneiss, near Darke Peake. They were searching for primary copper or other base metal mineralisation, but testing produced no significant assay values.

From 1970 to 1973, Pacminex Pty Ltd (Pacminex), a subsidiary of CSR Limited, became the first in a series of companies exploring for Broken Hill style stratiform base metal deposits on Eyre Peninsula. Stream sediment and soil surveys identified linear lead and zinc anomalies near Yeldulknie, to the south of the tenement, where Pacminex discovered low-grade silver-lead-zinc mineralisation in five diamond drill holes.

Carpentaria Exploration Company Pty Ltd (Carpentaria) also explored the south-eastern sector of the tenement, from 1973 to 1976. Their target was stratiform base metals associated with iron formations. Assays from rock chip and drilling samples indicated that the Lower Schist Unit and Mount Shanahan Formation are major base metal-mineralised horizons, locally containing up to 0.38% Cu, 0.90% Pb and 0.21% Zn.

CRAE explored the Campoona Syncline between 1977 and 1985, searching for Broken Hill style base metal mineralisation associated with the Lower and Upper Middleback Jaspilites of the Hutchison Group. CRAE established that the banded iron formations contain high background levels of base metals. The best intersection made in drilling was 4 metres @ 3.4% Zn and 0.2% Pb, which was found in a dolomitic breccia. Many Sirotem anomalies were found to be caused by graphite schist.

Mines Exploration Pty Ltd (Mines Exploration) and Western Mining Corporation Ltd (WMC) explored the northern sector of the tenement for BIF-related lead-zinc mineralisation from 1979 to 1986. A major drilling program of 630 percussion holes found minor intersections of lead-zinc-silver.

Shell explored for lead-zinc mineralisation associated with banded iron formation at Carappee Hill, in the centre of the tenement, in 1983-84. Shell drilled 17 RAB holes to investigate two magnetic anomalies, without finding significant mineralisation.

Stockdale and WMC targeted Broken Hill style lead-zinc mineralisation in Hutchison Group rocks in the central and southern sectors of the tenement between 1986 and 1994. Early work led to RAB and diamond drilling, which intersected anomalous concentrations at Campoona prospect. The best intercept was 5 metres @ 1.14% Zn and 0.11% Pb. Stockdale also reported thick intersections with up to 32% manganese at Jamieson Tank prospect.

Aberfoyle Resources Ltd (Aberfoyle) explored for Menninnie Dam style stratabound base metals in Hutchison Group rocks from 1989 to 1993. Aberfoyle targeted aeromagnetic anomalies for follow-up. Mapping and sampling of target areas did not encourage Aberfoyle to investigate further, reportedly because the company had higher priority targets elsewhere. Studies of lead isotopes from sulphide mineralisation at Mount Olinthus suggested that mineralisation there was unlikely to be stratiform. Aberfoyle also reported a large zone of disseminated graphite mineralisation at Balumbah.

Pasminco explored from 1991 to 1996, seeking Menninnie Dam or Sedex style stratabound base metals in Hutchison Group metasediments, along the eastern margin of the tenement. At Galah prospect, a calc-silicate rock from basal Warrow Quartzite peaked at 2,750 ppm Zn, 580 ppm Cu and 800 ppm Pb. Otherwise, bedrock base metal contents were found to be low and patchy, except for a copper value of 3,150 ppm Cu and some pegmatite-related tin anomalies up to 300 ppm Sn.

From 1993 to 1995, Fodina Minerals Pty Ltd (Fodina) explored Palaeoproterozoic rocks in the northern sector of the tenement for stratiform lead-zinc-silver and copper-gold deposits associated with banded iron formation. Fodina identified drilling targets following TEM and magnetic surveys, but the planned test holes were not drilled.

During the period 1986 to 1994, Stockdale explored the southern and central sectors of this area for diamonds, as well as base metals. Sampling for kimberlitic indicators was followed by ground magnetic, gravity, IP and Sirotem surveys, trenching, and RAB and diamond core drilling. Stockdale found abundant ilmenite and spinel indicators, but three kimberlitic dykes that were trenched and drilled yielded no diamonds.

Olliver Geological Services Pty Ltd (Olliver) and Helix Resources Ltd (Helix) explored the southern central and north-western fringes of the tenement from 1995 to 2001, looking for gold and any associated base metals, as well as dimension stone. Calcrete and BLEG soil surveys outlined generally low-grade gold anomalies, except at Sugarloaf Hill prospect, where soils returned up to 53 ppb Au. RAB drilling at Sugarloaf made a best intercept of 1 metre @ 1.35 g/t Au.

From 1997 to 2002, Minotaur Gold Ltd (Minotaur) targeted Olympic Dam style IOCG mineralisation or Tennant Creek style gold deposits associated with ironstone units of the Hutchison Group. Minotaur's work covered most of the current tenement. Calcrete sampling delineated numerous low-order gold anomalies (< 5 ppb Au). Follow-up defined a robust anomaly (> 9 ppb Au) peaking at 36 ppb Au, at Waddikee prospect. A 19-hole RC drilling program returned encouraging results, yielding as best intercept of 19 metres @ 0.3 g/t Au, at a depth of 100 metres. Further work, including an IP survey and drilling of the strike extension of the gold mineralisation, did not discover any areas of higher grade or any further mineralisation.

Anaban Pty Ltd (Anaban) explored an area lying mainly to the south-east of the current tenement, from 1997 to 2002. The targets were gold, base metals, iron ore and coal. Anaban's main interest was a proposed steel project centred on Lock Coalfield, using Hutchison Group banded iron formation ores. Elevated gold values were reported from calcrete surveys, but no follow-up ensued.

Exploration Potential

Waddikee project has potential for Broken Hill style lead-zinc-silver deposits and for Tanami style orogenic lode gold deposits.

Banded iron formation horizons within the Palaeoproterozoic Hutchison Group metasediments are prospective for lead-zinc-silver mineralisation of the Broken Hill style or possibly of Menninnie Dam style. Menninnie Dam was originally thought to be a stratabound base metal deposit, but is now seen as related to an intrusive complex with IOCG characteristics, so may be a hybrid type. The project area contains extensive strike lengths of BIF, evident as linear, strike-parallel magnetic features (Figure 25). Base metal anomalism is widespread in the Hutchison Group rocks of Eyre Peninsula (Figure 26).

Major structures representing faults are evident in the magnetic data (Figures 25 & 26). These structures were active at the time of Hiltaba Suite granite intrusion, which means they could have provided conduits for mineralising solutions, as well as sites where orogenic lode gold deposits could accumulate. Hiltaba Suite granite does not outcrop in the area, but gravity data contain lows that may reflect granites at depth. Locations where these structures intersect reactive strata, such as carbonate horizons, iron formations, or graphitic schists, are prospective for gold, copper and uranium mineralisation, like for example the gold-copper prospects at Drachma and Moola in the Middleback Range, which are hosted by hydrothermal or epithermal alteration in breccias associated with BIFs. Magnetic data reveal small, intense anomalies along some fault zones, which suggests iron alteration of adjacent reactive rocks.

Monax has the advantage of new detailed aeromagnetic data from the TEISA survey in assessing this project, as well as the wealth of information from previous exploration. Included in that information are TEM survey details for the Cleve Road prospect, where electromagnetic targets were identified by a previous explorer but not drill tested.

Proposed Exploration Program

Monax will begin with a re-assessment of the Cleve Road base metal prospect. Existing TEM data, which contains targets that were not drilled, will be re-modelled. Gravity infill surveys will be made and all geological and geophysical data will then be used to generate a three-dimensional model of the target, which will be drill tested.

Monax will also compile the wealth of information from previous exploration, prior to re-assessment of the results. Where warranted new calcrete, soil or rock chip geochemical surveys will be undertaken to supplement that data. Drilling targets will be defined where structures or favourable geological horizons interpreted from the TEISA magnetic data coincide with anomalies apparent in the compiled and supplemented geochemical data.

PRINCIPAL SOURCES OF INFORMATION

The sources of information drawn on for this report include published papers, unpublished open file reports made available by PIRSA, confidential company reports provided by Monax, and my own professional experience working in the regions covered by these projects. A selection of published references is listed below. The table following lists the PIRSA open file envelopes pertaining to the projects covered by this report.

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Unpublished Company Reports Held in Open File At Pirsra

Lease	Licensee	Granted	Expired	Reference
Ambrosia & Wynbring Project				
SML 261	Kennecott Explorations (Australia) Pty Ltd Otter Expln NL	Nov-196	Aug-196	ENV01131
SML 333		8	9	ENV01375
SML 491		Aug-196	Feb-197	ENV01510
SML 643		9	0	ENV01858
		Oct-197	Oct-197	
		0	1	
		Nov-197	Nov-197	
		1	2	
SML 570	Consolidated Gold Mining Areas NL	Apr-197	Apr-197	ENV01616
		1	2	
SML 620	Abadon Holdings NL	Aug-197	Feb-197	ENV01822
SML 684		1	2	
		Mar-197	Sep-197	
		2	2	
EL 48	Nissho-Iwai Co. (Aust.) Pty Ltd	Mar-197	Mar-197	ENV02255
EL 195		3	5	ENV02390

Lease	Licensee	Granted	Expired	Reference
EL 268 EL 360 EL 419 EL 460 EL 762	PNC Exploration (Aust.) Pty Ltd	Jun-1975 Nov-1976 Sep-1977 Sep-1978 Apr-1979 Dec-1980	Jun-1977 Nov-1977 Sep-1977 Sep-1978 Apr-1978 May-1982	RB74/00168 ENV02591 ENV02846 ENV03255 ENV03426 ENV03510
EL 157	Uranerz (Aust.) Pty Ltd	Oct-1974	Apr-1975	ENV02477 RB75/00005 RB75/00046
EL 177	Getty Mining Pty Ltd	Feb-1975	Feb-1976	ENV02682
EL 505 EL 506	Cultus Pacific NL	Aug-1979 Aug-1979	Aug-1981 Aug-1981	ENV03596 ENV03597 ENV03598
EL 817	CRA Exploration Pty Ltd	Mar-1981	Aug-1982	ENV04257 ENV04474
EL 826 EL 1147	Stockdale Prospecting Ltd	Apr-1981 Jun-1983	Apr-1983 Jun-1988	ENV04266 ENV04993 ENV08140
EL 855	Key Resources Pty Ltd	Jul-1981	Jan-1982	ENV04315
EL 930 EL 931	CRA Exploration Pty Ltd	Nov-1981 Nov-1981	Nov-1983 Nov-1983	ENV04613
EL 1020 EL 1255 EL 1313	PNC Exploration (Aust.) Pty Ltd	Jul-1982 Sep-1984 Jan-1986	Jul-1984 Sep-1985 Apr-1987	ENV04846
EL 1094	PNC Exploration (Aust.) Pty Ltd	Dec-1982	Dec-1983	ENV04996
EL 01362	Freeport Australian Minerals Ltd	Oct-1986	Oct-1988	ENV06771
EL 1375	Tarcoola Gold Ltd	Jan-1987	Jul-1989	ENV06823
EL 1429	Pan Australian Mining Ltd	Sep-1987	Mar-1990	ENV06951
EL 1529	CRA Exploration Pty Ltd	Oct-1988	Sep-1989	ENV08073 ENV08236
EL 1537	Pan Australian Mining Ltd	Nov-1988	Mar-1991	ENV08128
EL 1789 EL 2015 EL 2475 EL 2674	Aztec Mining Company Ltd Oxford Resources Pty Ltd Sumitomo Metal Mining Oceania Pty Ltd; SC Mineral Resources Pty Ltd	Oct-1992 Sep-1994 Dec-1997 Dec-1999	Oct-1997 Sep-1999 Dec-2002 Dec-2001	ENV08686 ENV09349 ENV08686 ENV09348 ENV08686 ENV09727
EL 2003	Dominion Gold Operations Pty Ltd	Aug-1994	Aug-1995	ENV08975
EL 2004	Dominion Gold Operations Pty Ltd			ENV08976
EL 2030 EL	Websters Find Gold Pty Ltd	Nov-1994 Feb-2000	Nov-1999 Aug-2000	ENV09028

Lease	Licensee	Granted	Expired	Reference
2696		0	1	
EL 2166	Magnum Gold NL	May-1996	May-2001	ENV09188
EL 2703		Mar-2000	Mar-2002	
EL 2526		Jul-1998	Apr-1999	
EL 3011	Delta Gold Exploration Pty Ltd	8	9	ENV09638
EL 3040	Barra Resources Ltd, Downie J L	Sep-2002	Sep-2003	
	Bullion Minerals Ltd	Oct-2002		ENV010255
Dingo Hill Project				
SML 529	Euler KK	Jan-1971	Jan-1972	ENV01610
EL 615	Afmeco Pty Ltd	Apr-1980	Apr-1982	ENV03825
EL 1012		Jul-1982	Jul-1983	
EL 758		Dec-1980	Oct-1982	
EL 1504	Utah Development Co.	Jul-1988	Jan-1990	ENV04099 ENV04326
EL 1538		Nov-1988	Nov-1989	
EL 1697		Feb-1991	Jul-1991	
EL 1800	CRA Exploration Pty Ltd	1	1	ENV08427
EL 2071	Western Mining Corp Ltd	Nov-1992	Aug-1995	ENV08797
EL 2183	Helix Resources NL	Mar-1995	Sep-1996	ENV09138
EL 2220	Homestake Gold of Aust Ltd	Jun-1996	Jun-1999	ENV09200
EL 2269	Nieuport Pty Ltd	Oct-1996	Sep-1999	ENV09230
	Aurora Gold (WA) Pty Ltd	Feb-1997	Sep-1998	ENV09352
Eureka Bluff Project				
SML 605	Tasminex NL	Jul-1971	Jul-1972	
EL 842	Stockdale Prospecting Ltd	May-1981	May-1983	ENV04267 ENV04747
EL 1157		Jun-1983	Apr-1984	
EL 843		May-1981	May-1983	
EL 844	Stockdale Prospecting Ltd	May-1981	May-1983	ENV04267 ENV04747 ENV05430
EL 1158		May-1981	May-1983	
EL 1159		Jun-1983	Jun-1988	
		Jun-1983	Jun-1988	
		Jun-1983	Jun-1988	
EL 1299	CRA Exploration Pty Ltd	Jul-1985	Nov-1986	ENV06341 ENV06583
EL 1300	CRA Exploration Pty Ltd	Jul-1985	Sep-1986	ENV06342 ENV06584
EL 1568	Aberfoyle Resources Ltd	Feb-1989	Feb-1994	ENV08560
EL 1584	Aberfoyle Resources Ltd	Jun-1989	Jul-1994	ENV08209
EL 1626	CRA Exploration Pty Ltd	Dec-1989	Dec-1990	ENV08293
EL 1627		Dec-1989	Dec-1990	
EL 1652		Apr-1990	Jan-1991	
		0	1	

Lease	Licensee	Granted	Expired	Reference
EL 1841 EL 1968 EL 1969	Aberfoyle Resources Ltd	Jul-1993 Aug-1994 Aug-1994	Jul-1998 Jul-1999 Jul-1999	ENV08811 ENV08209
EL 2072 EL 2712	Helix Resources NL Anglogold Australasia Ltd	Mar-1995 Apr-2000	Mar-2000 Apr-2001	ENV09139 ENV09097
EL 2227	Carpentaria Gold Pty Ltd	Nov-1996	Nov-1999	
EL 2260	Minotaur Gold NL	Jan-1997	Jan-2000	ENV09329
EL 2322	Rasp Resources NL	May-1997	Oct-2000	ENV09598
EL 2551	Anglogold Australia Metals Pty Ltd, Western Metals Copper Ltd	Sep-1998	Sep-2000	ENV08811
EL 2894	Mount Isa Mines Ltd	Feb-2000	Feb-2000	ENV09910
EL 3182	Range River Gold NL	Mar-2000	Mar-2000	
Mattaweara Project				
SML 115	Mines Exploration Pty Ltd	Jun-1996	Sep-1996	ENV02356 ENV02357
EL 231 EL 406 EL 683 EL 784 EL 1316	Western Mining Corp. Ltd Roxby Mining Corp. Ltd	Jan-1997 Jun-1997 Jul-1998 Jan-1998 Dec-1998	Jan-1997 Jun-1998 May-1998 Dec-1998 Jun-1998	ENV06562
EL 2329	Havilah Resources NL	May-1997	May-2000	
EL 2932	Minex (SA) Pty Ltd	Apr-2000		ENV09947
EL 2933	Adelaide Exploration Ltd	Apr-2000	Apr-2000	
Mount Hope & Moorlands Project				
SML 483 SML 642 EL 25	Endeavour Minerals NL Endeavour Oil Co. NL	Oct-1997 Jun-1997 Nov-1997	Oct-1997 Jun-1997 Nov-1997	ENV01513 ENV01943 ENV02203
SML 621 SML 669	Blacker Motors Pty Ltd	Aug-1997 Feb-1997	Dec-1997 Feb-1997	ENV01757 ENV01940
EL 58	Exploration Drilling Pty Ltd	Mar-1997	Sep-1997	ENV02298
EL 185	Uranerz (Aust.) Pty Ltd	Mar-1997	Mar-1997	ENV02552 RB75/00069
EL 191	Loch Shiel Pty Ltd	May-1997	May-1997	ENV02542
EL 688 EL 795	CRA Exploration Pty Ltd	Aug-1998 Feb-1998	Aug-1998 Jan-1998	ENV03973 ENV04659 ENV04246
EL 1266	CSR Ltd	Dec-1998	Dec-1998	ENV05987

Lease	Licensee	Granted	Expired	Reference
EL 1304	J.F. Gillfillan and Associates Pty Ltd	Sep-1985	Sep-1986	ENV06384 ENV06920
EL 1358	South Australian Kaolin Pty Ltd	Sep-1986	Mar-1988	
EL 1518	Stockdale Prospecting Ltd	Sep-1988	Jun-1992	ENV08076
EL 1795	Poseidon Exploration Ltd	Oct-1992	Nov-1993	ENV08746
EL 2007 EL 2649 EL 2662	Lynch Mining Ltd Lynch Mining Pty Ltd Alphadale Pty Ltd	Aug-1994 Oct-1999 Oct-1999	Aug-1999 Sep-2000 Oct-2000	ENV08957 RB 2001/7
EL 2254 EL 2319	Goldstream Mining NL	Jan-1997 Apr-1997	Jan-2000 Apr-1999	ENV09323 ENV09372
EL 2684 EL 3154	Olliver Geological Services Pty Ltd	Dec-1999 Jan-2004	Jun-2000 3	
EL 2700	Helix Resources NL	Mar-2000	Sep-2000	
Parndana & Western River Project				
SML 252 SML 253	Elcor Aust Pty Ltd Elcor Aust Pty Ltd	Nov-1968 Nov-1968	Apr-1970 Apr-1970	ENV01058 ENV01059
SML 688 EL 61	AOG Minerals Pty Ltd Australian Oil and Gas Corp. Ltd	Apr-1972 Apr-1973	Apr-1973 Feb-1974	ENV02022 ENV02304
SML 702 EL 86	John Liddy Assoc Aquila Minerals Ltd	May-1972 Aug-1973	May-1973 Aug-1974	ENV2010 ENV02077 ENV02161 ENV02337
EL 221	Preussag Australia Pty Ltd	Nov-1975	Nov-1976	ENV02695
EL 396 EL 408	Comalco Ltd Comalco Ltd	May-1978 Jun-1978	Aug-1979 Aug-1979	ENV03300 ENV03310
EL 819	Shell Co. of Australia Ltd	Apr-1981	Apr-1982	ENV04250
EL 1378	Clackline Ltd Herald Resources Ltd Tectonic Systems Pty Ltd	Jan-1987	Jan-1989	ENV06814
EL 1737	Pasminco Australia Ltd	Jul-1991	Jul-1993	ENV08500
	SADME	Dec-1989	Mar-1990	RB 91/00023
EL 2205	Carnegie Minerals NL, Pecan Holdings Pty Ltd	Oct-1996	Sep-1998	ENV09237 ENV09262
EL 2859	Southern Titanium NL	Oct-2001	Oct-2004	
EL 2725 EL 3088	Havilah Resources NL	May-2000 May-2003		
Waddikee Project				
SML 158 SML 163	Kerr-McGee Aust Ltd	Aug-1967 Nov-1967	Apr-1969 Apr-1969	ENV00838 ENV01108 ENV03859 ENV00871

Lease	Licensee	Granted	Expired	Reference
SML 161	Norton RP & Trezise AJ	Nov-1967	May-1969	ENV00885 RB66/00078
SML 343 SML 344 SML 645	Mines Administration Pty Ltd	Nov-1969 Nov-1969 Nov-1971	Oct-1970 Oct-1970 Nov-1972	ENV01326 ENV02143 ENV01238 ENV02143 ENV02143
SML 348 SML 664	Pechiney (Aust) Expln Pty Ltd Pacminex Pty Ltd	Nov-1969 Jan-1972	Nov-1969 Jan-1973	ENV01262 ENV01948
SML 383 SML 667	Pacminex Pty Ltd	Feb-1970 Feb-1972	Feb-1971 Feb-1973	ENV01355 ENV01966
EL 67 EL 218	Carpentaria Exploration Co. Pty Ltd	May-1973 Nov-1975	May-1975 Nov-1976	ENV02296 ENV02563 ENV02687 ENV02732
EL 131	Urangesellschaft Australia Pty Ltd	Apr-1974	Oct-1974	ENV02419
EL 285 EL 494 EL 877 EL 1185	CRA Exploration Pty Ltd	Feb-1977 Jun-1979 Sep-1981 Oct-1983	Feb-1979 Jun-1981 Sep-1983 Mar-1985	ENV02965 ENV03573
EL 378 EL 613 EL 1026	Wyoming Mineral Corp. Westinghouse Intern Power Systems Co. Inc. Esso Exploration and Production Aust. Inc. Shell Co. of Australia Ltd	Jan-1978 Apr-1980 Aug-1982	Jul-1979 Mar-1982 Aug-1985	ENV03235
EL 492 EL 893	Pancontinental Mining Ltd	Jun-1979 Sep-1981	Jun-1981 Sep-1982	ENV03412 ENV03551 ENV04848 ENV 5019
EL 507 EL 895 EL 1181	Mines Exploration Pty Ltd Western Mining Corp. Ltd	Aug-1979 Sep-1981 Oct-1983	Aug-1981 Sep-1983 Jun-1986	ENV03583 ENV04720
EL 712	Afmeco Pty Ltd	Sep-1980	Sep-1982	ENV03993
EL 876 EL 1182	CRA Exploration Pty Ltd	Sep-1981 Oct-1983	Sep-1983 Oct-1985	ENV03541
EL 1117	Shell Co. of Australia Ltd	Mar-1983	Mar-1988	ENV05075 ENV05545
EL 1162	Shell Co. of Australia Ltd	Jul-1983	Oct-1984	ENV05262
EL 1215	CRA Exploration Pty Ltd	Jan-1984	Jan-1985	ENV05448
EL 1320 EL 1724 EL 1359 EL 1745 EL 1501	Stockdale Prospecting Ltd Stockdale Prospecting Ltd Western Mining Corp. Ltd	Feb-1986 Jun-1991 Sep-1986 Oct-1991 Jul-1988	Feb-1991 Oct-1994 Sep-1991 Oct-1994 Jul-1999	ENV06566 ENV06795 ENV08048 ENV08717

Lease	Licensee	Granted	Expired	Reference
EL 1862		Aug-1993	Oct-1994	
EL 1333	Shell Co. of Australia Ltd	May-1986	Apr-1988	ENV06654
EL 1567	Aberfoyle Resources Ltd	Feb-1989	Feb-1993	ENV08560
EL 1727	Aberfoyle Resources Ltd	Jun-1991	Jun-1992	ENV08480
EL 1726	Pasminco Australia Ltd	Jun-1991	Apr-1996	ENV08478
EL 1809	Pasminco Australia Ltd	Nov-1992	Nov-1994	ENV08742
EL 1852	Fondina Minerals Pty Ltd	Aug-1993	Aug-1995	ENV08865
EL 2132	Olliver Geological Services Pty Ltd	Dec-1995	Dec-2000	ENV09628
EL 2210	Olliver Geological Services Pty Ltd	Oct-1996	Oct-2001	ENV09269
EL 2858	Helix Resources Ltd, Olliver Geological Services Pty Ltd	Oct-2001		
EL 2259	Minotaur Gold Ltd	Jan-1997	Jan-2002	ENV09325
EL 2290	Goldstream Mining NL	Mar-1997	Mar-1999	ENV09333
EL 2305	Olliver Geological Services Pty Ltd	Apr-1997	Apr-2002	ENV09385
EL 2550		Sep-1998	Sep-2003	ENV09629
				ENV09745
				ENV01021
				6
EL 2318	Anaban Pty Ltd	Apr-1997	Apr-2002	ENV09582
				ENV09583
				ENV09794
EL 2722	Helix Resources NL	May-2000	May-2003	
EL 3005	Olliver Geological Services Pty Ltd	Aug-2002	Aug-2004	
EL 3050	Helix Resources Ltd	Dec-2002	Dec-2003	

3. INFORMATION ABOUT THE OFFER

3.1 HOW TO APPLY FOR SHARES

The Company is offering for issue, up to 25 million Shares at an issue price of 20 cents each to raise up to \$5 million. Once you have read this Prospectus, to apply for Shares in the Offer you must:

Complete an Application Form which accompanies a copy of this Prospectus

Although copies of this Prospectus will be available within seven days of the Prospectus Date (in paper form or electronically through the internet site maintained by the Company – refer to the Corporate Directory), you will not be able to access an Application Form until at least seven days after the Prospectus Date. The Company will not accept an application for Shares before the end of that seven day period.

The purpose of the seven day period is to give market participants the opportunity to examine the Prospectus before the Company accepts any application for Shares. The seven day period may be extended by ASIC to up to 14 days.

Give your completed Application Form to the Company together with full payment for your Shares

You must apply for at least 10,000 Shares (\$2,000) and thereafter in increments of 2,500 Shares (\$500).

Your payment for the Shares must be made in full on application and must be by cheque drawn on and payable at an Australian bank or by direct debit to the Monax Share Offer Account:

BSB: 085-375

Account Number: 58-581-3989

Cheques must be made payable to 'Monax Mining Limited Share Offer Account'.

Before 31 August 2005 ('Closing Date'), you must deliver your completed Application Form together with payment for your Shares (or direct debit confirmation) to the Company's share registry:

by post

Computershare Investor Services Pty Ltd
GPO Box 1903
ADELAIDE SA 5001

in person

Level 5, 115 Grenfell Street
ADELAIDE SA 5000

The Directors may close the Offer early or extend the Closing Date, however, no application for Shares under this Prospectus will be accepted and no securities will be issued on the basis of this Prospectus later than the expiry date, 13 months from the Prospectus Date.

3.2 CONDITIONS

Before any Shares are issued under this Prospectus, each of the following must occur:

(a) **Minimum Subscription**

The Company must receive Valid Applications for at least 12.5 million Shares.

(b) **Listing on ASX**

The Company must be admitted to the Official List of ASX and ASX must give its permission for Official Quotation on ASX of the existing Shares of the Company and the Shares to be issued under this Prospectus (*'Listing Condition'*).

Within 7 days of the Prospectus Date, the Company will apply to have the Listing Condition satisfied. The fact that the Listing Condition is satisfied is not to be taken as an endorsement by ASX of this Offer. ASX takes no responsibility for this Offer or Prospectus.

Until the Offer Conditions have been met all money you provide to the Company to apply for Shares will be held in a bank account separate from the Company's other funds. If the Offer Conditions are not met within three months of the Prospectus Date, all money you provide to the Company to apply for Shares will be returned to you without interest.

3.3 PURPOSE OF THE OFFER

The Company is raising funds under this Prospectus primarily to:

- finance exploration and development work on the Company's Projects for the next two years;
- evaluate new opportunities in exploration and mining;
- create opportunities to raise further capital in the future.

More specifically, based on current information and budgets, the Company intends to apply the money raised from the issue of Shares under this Prospectus as follows:

Expenditure Item	Minimum Subscription		Full Subscription	
	Year 1 (\$)	Year 2 (\$)	Year 1 (\$)	Year 2 (\$)
Project expenditure				
Ambrosia – EL 3358	119,000	119,000	194,000	204,000
Mt Hope – EL 3355	62,000	62,000	142,000	192,000
Moorlands – EL 3356	62,000	62,000	142,000	162,000
Parndana – EL 190/05	41,000	41,000	121,000	101,000
Western River – ELA 190/05	51,000	51,000	91,000	71,000
Wynbring – EL 3359	56,000	56,000	91,000	131,000
Eureka Bluff – ELA 59/05	79,000	79,000	122,000	152,000
Dingo Hill – ELA 55/05	82,000	82,000	142,000	172,000
Mattaweara – EL 2964	41,000	41,000	111,000	81,000
Waddikee – ELA 3357	135,000	135,000	204,000	175,000
Farm out or relinquishment*	(200,000)	(200,000)		
Total	528,000	528,000	1,360,000	1,441,000
Other expenditure				
Cost of the Offer	492,010	Nil	642,010	Nil
Working capital	688,495	688,495	990,995	990,995
Total	1,708,505	1,216,495	2,993,005	2,431,995

Results of exploration will lead to an ongoing re-assessment of each Project and work programs and budgets may be modified.

*If the Company receives only the Minimum Subscription, it will farm out or relinquish the Waddikee and/or Ambrosia tenements referred to above such that its total expenditure will be reduced by approximately \$200,000 in each of the first two years after satisfaction of the Listing Condition.

The Costs of the Offer disclosed in the table above include the following fees paid or to be paid:

Broker commissions (6%) \$300,000 Assuming Full Subscription

	\$250,000 Assuming Minimum Subscription
Kennedy & Co	\$60,000
DMAW Lawyers	\$50,000
David Tonkin & Associates	\$15,000
Grant Thornton	\$5,000

Other than in relation to the fees referred to above, the advisors to the Company have no financial interest in the Offer.

If more than \$2.5 million but less than \$5 million is raised, the Company intends to apply the amount raised in addition to \$2.5 million, first to any additional costs of the Offer, second towards working capital and third towards the Company's Projects on a pro-rata basis or other basis as considered by the Directors to be appropriate in the circumstances.

The Company considers that if the Offer Conditions are met it will have sufficient financial resources to carry out its stated objectives for the next two years. It is intended that leading up to the end of two years from the Prospectus Date, on the basis of development and exploration results in relation to the Projects, the Company will seek to raise further equity capital to continue its operations.

3.4 RIGHTS AND LIABILITIES ATTACHING TO SHARES

All Shares issued under this Prospectus will be issued on the same terms as each other and as Shares in the Company already on issue. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which may be inspected at the Company's registered office (refer to the Corporate Directory). Holders of Shares also have common law and statutory rights. A summary of the rights and liabilities attaching to Shares follows.

Voting rights

At a general meeting every shareholder present in person by proxy, attorney or representative has one vote on a show of hands and every shareholder present in person or by proxy, attorney or representative has one vote for each Share on a poll.

Dividends

Dividends are declared by the Directors at their discretion and subject to any special rights (at present there are none) are payable on all Shares in proportion to the amount of capital for the time being paid up or credited as paid up on those Shares.

Transfer of Shares

Generally, Shares are freely transferable. Where the Listing Rules or the law require the Company to do so, the Directors must decline to register a transfer. If Shares are subject to a restriction agreement entered into by the Company and shareholder, except as permitted by the Listing Rules, a shareholder may not dispose of the Shares and the Directors and the Company will not register a dealing in the Shares.

Future increases in capital

The allotment or issue of any shares of the Company is under the control of the Directors who may, subject to the Act and the Listing Rules, allot or otherwise dispose of them on such conditions as they see fit.

Variation of rights

The rights and privileges attaching to Shares can be altered by special resolution of the shareholders. A special resolution is a resolution passed by a majority of not less than 75% of those present and voting.

ASX Listing Rules

While the Company is listed on ASX, if there is any inconsistency between the Company's constitution and the Listing Rules, the Listing Rules will prevail.

Rights on winding up

In the event of a winding up of the Company:

- any surplus will be divided among the shareholders in the proportion that the amount paid up on the shares bears to the total amount paid up on all shares of the Company on issue;
- surplus assets in kind may, with the sanction of a special resolution, be divided among shareholders in such proportion as the liquidator may determine.

Management of the Company

The business of the Company is managed on behalf of shareholders by the Directors. Subject to the Company's ability in general meeting to increase or reduce the maximum number of directors, the maximum number of Directors is ten and the minimum is three. A Director need not be a shareholder of the Company. A Director may resign from office on giving the Company notice in writing and may be removed by an ordinary resolution of the Shareholders.

A Director who has a personal interest in a matter in which the Company has an interest must declare the nature of the interest at a meeting of the Directors as soon as practicable after the relevant facts have come to the Director's knowledge.

Directors (apart from the Managing Director) must retire on a rotational basis so that one-third of the Directors must retire at each annual general meeting. Each Director will retire from office no later than at the third annual general meeting following his or her last election but they may submit themselves for and will be eligible for re-election.

3.5 SUMMARY OF RISKS

As with all investments, investors should be aware that the market price of Shares may fall as well as rise. The potential returns of the Company will be exposed to risks specific to the Company and to general investment risks. While it is impossible to identify all risks, the attention of investors is drawn to the following particular risks.

Exploration

Exploration by its nature contains elements of significant risk. Ultimate success depends on the discovery of economically recoverable resources, obtaining the necessary titles and governmental regulatory approvals and obtaining and servicing of funding for mining operations if and when a decision to mine is made.

Development

There can be no assurance that the Company's existing projects or any other projects or tenements that the Company may acquire in the future will result in the discovery of significant resources. Even if significant resources are identified, there can be no guarantee that they will be able to be economically exploited.

Loss of Key Personnel

The Company's success depends on the competencies of its Directors and senior management. The loss of one or more of the Directors or senior management could have a materially adverse effect on the Company's business, financial position and results of operations. The resulting impact from such an event would depend on the quality of any replacement.

General Investment Risks

There is a risk that the price of Shares and returns to shareholders may be affected by changes in local and world economic conditions, interest rates, levels of tax, taxation law and accounting practice, government legislation or intervention, inflation or inflationary expectations and natural disasters, social upheaval or war in Australia or overseas. Many of these factors are beyond the Company's control.

Future Capital Requirements

The Company may require additional capital to fund further exploration / development of its existing or new projects. The Company's ability to raise sufficient further capital within an acceptable time frame and on terms acceptable to it will vary according to a number of factors including (without limitation) the prospects of new projects (if any), the results of exploration and subsequent feasibility studies, stock market and industry conditions and the price of relevant commodities.

Native Title

Some of the Company's tenements are located within areas the subject of claims or applications for native title determination. The *Native Title Act 1993* (Cth) and related State native title legislation and aboriginal heritage legislation may affect the Company's ability to obtain access to certain of its exploration areas or to obtain mining production titles. Settling any such claims will incur costs to the Company. The degree to which this may impact on the Company's activities will depend on a number of factors, including the status of particular tenements and their locations. At this stage, the Company is not able to quantify the impact, if any, of such matters on its operations. Investors should refer to the Legal Report on Tenements in section 5 of this Prospectus for more information about native title.

3.6 EFFECT ON THE COMPANY'S CAPITAL STRUCTURE

Total Issued Shares and Options

The effect of the Offer on the capital structure of the Company is set out below.

Total issued Shares as at the Prospectus Date	21,388,892
Total issued Shares assuming Minimum Subscription	35,277,781
Total issued Shares assuming Full Subscription	49,166,670

As at the Prospectus Date, the Company also has on issue:

- 5,000,000 'A' class Options (Exercisable at 25 cents before 30 June 2008)
- 2,500,000 'B' class Options (Exercisable at 30 cents before 30 June 2009)
- 2,500,000 'C' class Options (Exercisable at 40 cents before 30 June 2010)

Options are not offered for issue under this Prospectus.

Option Terms

Save for the exercise prices, expiry dates (which differ as described above) and the restriction noted in section 6(a) of this Prospectus, all Options are issued otherwise on identical terms as summarised below.

1. Each Option entitles the holder ('*Optionholder*') to subscribe for one fully paid ordinary share in the Company.
2. Each Option is exercisable at any time from the date the option is granted until the expiry date listed above ('*Expiry Date*') (inclusive of both dates).
3. Some or all of the options may be exercised at any one time or times prior to the Expiry Date provided that no less than 5,000 Options are exercised at any one time.
4. Shares issued pursuant to the exercise of any Option will rank in all respects on equal terms with the existing fully paid ordinary shares in the Company.
5. No adjustment to the number of shares which each attaching option entitles to Optionholder to subscribe to will be made, except in accordance with paragraph 7 of these terms.
6. An Option will not entitle the holder to participate in any new issue of shares by the Company, unless the Option has been duly exercised prior to the relevant record date.
7. If there is a reconstruction or reorganisation (including consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the Optionholder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of the restructure or reorganisation. Any changes to the terms

of the Options will not result in any benefit being conferred on the Optionholders which is not conferred on the shareholders of the Company.

8. Application will be made by the Company to the ASX for permission for quotation to be granted in respect of shares issued upon exercise of any of the Options in the manner required by the Listing Rules.
9. The Options will be fully transferable in accordance with the constitution of the Company and, for such time as the Company is listed, the Listing Rules and the ASTC Business Rules.
10. Shares issued pursuant to the exercise of an Option will be issued on a date which will not be more than 10 days after the receipt of a properly executed notice of exercise of Option (in a form acceptable to the Directors) and the application moneys in respect of the exercise of the Option.

Relevant Interests in Shares and Options

The total issued Shares and total issued Options as at the Prospectus Date, include the holders of Relevant Interests set out below.

- Directors & Proposed Directors

	Issued Shares on the Prospectus Date in which a Relevant Interest is held	Issued Options on the Prospectus Date in which a Relevant Interest is held
Robert Kennedy	1,260,001	Class 'A' 700,000 Class 'B' 350,000 Class 'C' 350,000
Neville Alley	3,000,000	Class 'A' 800,000 Class 'B' 400,000 Class 'C' 400,000
Reg Nelson	1,920,001	Class 'A' 700,000 Class 'B' 350,000 Class 'C' 350,000
Glenn Davis ¹	2,410,001	Class 'A' 700,000 Class 'B' 350,000 Class 'C' 350,000
Digger Trust Company Pty Ltd ²	1,500,000	

Notes:

¹ Mr Glenn Davis is a partner of DMAW Lawyers, the lawyers to the Company.

² All Shares and Options held by Digger Trust Company Pty Ltd will be transferred for the benefit of a managing director of the Company if and when he or she is appointed.

- Promoters and Professional Advisers

	Issued Shares on the Prospectus Date in which a Relevant Interest is held	Issued Options on the Prospectus Date in which a Relevant Interest is held
Havilah Resources NL ¹	2,138,889	Class 'A' 500,000 Class 'B' 250,000 Class 'C' 250,000
Nicholas Smart	1,650,000	Class 'A' 700,000 Class 'B' 350,000 Class 'C' 350,000
Mark Lindh	1,650,000	Class 'A' 700,000 Class 'B' 350,000 Class 'C' 350,000
Robert French	500,000	Class 'A' 200,000 Class 'B' 100,000 Class 'C' 100,000
Kennedy & Co ²	100,000	

Notes:

¹ If the Offer Conditions are satisfied, the Company will issue further Shares under its agreement with Havilah Resources NL (summarised in section 6(a) of this Prospectus) such that Havilah will hold 10% of the issued Shares in the Company and 10% of each class of Option as at the day it is listed on ASX. Under the agreement with Havilah, the Company will not know how many Shares and Options are to be issued until shortly after the Closing Date.

² Mr Robert Kennedy is a consultant to Kennedy & Co but does not hold any interest in these Shares. Kennedy & Co provides accounting services to the Company.

4. INDEPENDENT ACCOUNTANT'S REPORT

Our ref: SJG/JH/MJP
F/AGCT RPES/Monax Prospectus

STRICTLY PRIVATE AND CONFIDENTIAL

The Board of Directors
Monax Mining Ltd
140 Greenhill Road
UNLEY SA 5061

8 July 2005

Dear Sirs

INDEPENDENT ACCOUNTANT'S REPORT ON REVIEWED HISTORICAL FINANCIAL INFORMATION

Introduction

We have prepared this Independent Accountant's Report (report) on the historical information of Monax Mining Ltd (the Company) for inclusion in a Prospectus dated on or about 8 July 2005 relating to the following proposed transactions:

- Pursuant to this prospectus the Company offers for subscription 25,000,000 Ordinary Shares in the Company at an issue price of \$0.20 per share payable in full on application to raise \$5,000,000 with a minimum subscription of 12,500,000 shares.

Expressions referred to in the Prospectus have the same meaning in this report.

Background

The Company was incorporated in South Australia on 3 August 2004 as an unlisted public company limited by shares. Since its incorporation the objective of the company has been to undertake the acquisition, exploration and development of uranium, copper-gold, gold, nickel, zinc and other mineral deposits.

Since 31 May 2005 the Company has entered into the following transactions:

- The Company has raised \$425,000 through the issue of 4,250,000 fully paid ordinary shares to seed capitalists to fund the working capital requirements through to listing on the Australian Stock Exchange (ASX).
- Pursuant to an agreement dated 24 June 2005 the Company has acquired interests in certain mining tenements based in South Australia from Havilah Resources NL (Havilah). In consideration for these interests the Company issued to Havilah 2,138,889 ordinary shares and the following options:
 - o 500,000 A Class options
 - o 250,000 B Class options
 - o 250,000 C Class options

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Subject to Ministerial consent and ASX approval the company will issue further shares to Havilah such that after the issue, Havilah will hold 10% of the issued Shares and Options of the Company as at the date of issue of Shareholder statements under this offer.

Historical and Pro-forma information

The historical and pro-forma financial information ("together referred to as the financial information") set out on pages 91 to 99 of this report comprises:

- The historical Statement of Financial Performance for the period from incorporation to 31 May 2005;
- The historical Statement of Financial Position as at 31 May 2005;
- The historical Statement of Cash flows for the period ended 31 May 2005;
- The pro-forma Statement of Financial Position as at 31 May 2005, based on the assumption that the transactions contemplated in the prospectus has been completed at 31 May 2005; and
- Notes to the historical and pro-forma Financial Information.

Scope

You have requested Grant Thornton to prepare a report covering the following information.

- (a) The historical performance of the Company for the period ended 31 May 2005; and
- (b) The historical Statement of Financial Position as at 31 May 2005 and the Pro-forma Statement of Financial Position as at 31 May 2005, which assumes completion of the contemplated transactions disclosed in the Prospectus and the transactions which have occurred subsequent to 31 May 2005 which have been detailed above.

The historical information set out on pages 91 to 99 of this report have been extracted from the books and records of the company.

The Directors of Monax are responsible for the preparation and presentation of the financial information included in this report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and estimates inherent in the financial information.

We have conducted our review of the financial information in accordance with the Australian Auditing Standard AUS 902 "Review of Financial Reports". We have made such enquiries and performed such procedures as we in our professional judgement, consider reasonable in the circumstances including:

- analytical procedures on the audited financial performance of the Company for the relevant historical period;
- a review of accounting records, work papers and other documents;
- a review of the assumptions used to compile the pro-forma Statement of Financial Position;
- a review of adjustments made to the pro-forma historical financial information;

- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Company; and
- enquiry of directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit and accordingly we do not express and audit opinion.

Review Statement of Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- (a) the historical financial information set out on pages 91 to 99 does not present fairly the historical financial position of the Company as at 31 May 2005 and its historical performance and cash flows for the period since incorporation in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements and accounting policies adopted by the Company; and
- (b) the pro-forma Statement of Financial Position as at 31 May 2005 has not been properly prepared on the basis of the pro-forma transactions.

Subsequent Events

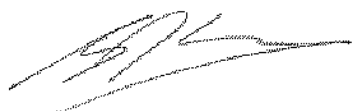
Since the 31 of May 2005 and to the date of this report the Company has incurred costs associated with the production of this prospectus and managing of the company's assets.

Apart from the matters dealt with in this report and having regard to the scope of our review, to the best of our knowledge and belief, no material transactions or events outside the ordinary business of the Company have come to our attention that require comment on or adjustment to the information referred to in our report or that would cause such information to be misleading or deceptive.

Independence and Disclosure of Interest

Grant Thornton does not have any interest in the outcome of this issue other than for the preparation of this report and for acting as auditors of the Company for which normal professional fees will be received.

Yours faithfully
GRANT THORNTON



S J GRAY
Partner

MONAX MINING LTD
ACN 110 336 733

UNAUDITED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 MAY 2005

	Period ended 31 May 2005 \$
Revenue	
Sales	<u>-</u>
Total Revenue	<u>-</u>
Expenses	
Legal Fees	354
Rent expense	7,700
Filing Fees	800
Other expenses from ordinary activities	<u>1,624</u>
Profit/(Loss) from ordinary activities before income tax expense	<u>(10,478)</u>
Income Tax Expense	<u>-</u>
Profit/(Loss) from ordinary activities after income tax expense	<u><u>(10,478)</u></u>

The above statement of financial performance should be read in conjunction with the accompanying notes.

MONAX MINING LTD
ACN 110 336 733

**REVIEWED STATEMENT AND UNAUDITED PRO FORMA STATEMENT OF FINANCIAL
POSITION AS AT 31 MAY 2005**

		Reviewed	Unaudited Pro Forma Minimum Subscription	Unaudited Pro Forma Full Subscription
	Note	31 May 2005 \$	31 May 2005 \$	31 May 2005
CURRENT ASSETS				
Cash	4	3	2,393,062	4,743,062
Receivables		2,670	2,670	2,670
Prepaid expenses		10,000	-	-
TOTAL CURRENT ASSETS		12,673	2,395,732	4,745,732
NON CURRENT ASSETS				
Exploration Expenditure	5	26,742	1,026,742	1,026,742
TOTAL NON CURRENT ASSETS		26,742	1,026,742	1,026,742
TOTAL ASSETS		39,415	3,422,474	5,772,474
CURRENT LIABILITIES				
Payables	6	40,190	3,659	3,659
TOTAL CURRENT LIABILITIES		40,190	3,659	3,659
TOTAL LIABILITIES		40,190	3,659	3,659
NET ASSETS		(775)	3,418,815	5,768,815
CONTRIBUTED EQUITY				
Capital	7	9,703	3,429,293	5,779,293
Retained Profits		(10,478)	(10,478)	(10,478)
TOTAL CONTRIBUTED EQUITY		(775)	3,418,815	5,768,815

The above statements of financial position should be read in conjunction with the accompanying notes.

MONAX MINING LTD
ACN 110 336 733

REVIEWED STATEMENT OF CASHFLOW
FOR THE PERIOD ENDED 31 MAY 2005

	Period ended 31 May 2005 \$
Operating activities	
Receipts from customers	-
Payments to suppliers	<u>(9,488)</u>
Cash inflows/(outflows) from operating activities	<u>(9,488)</u>
Investing activities	
Payments made for exploration activities	<u>(17,042)</u>
Cash inflows/(outflows) from investing activities	<u>(17,042)</u>
Financing activities	
Proceeds from share issues	3
Payments for share issue costs	(5,000)
Loans from Director related entities	<u>31,530</u>
Cash inflows/(outflows) from financing activities	<u>26,533</u>
Net increase/(decrease) in cash	3
Cash at the beginning of the period	<u>-</u>
Cash at the end of the period	<u>3</u>

Non-cash financing transactions

- On the 12th of May the Company issued 9,700,000 fully paid ordinary shares at an issue price of \$0.001 per share in exchange for exploration rights with a fair value of \$9,700.
- On the 12th of May the Company issued 3,800,000 fully paid ordinary shares at an issue price of \$0.001 per share in exchange for professional services provided to the Company with a fair value of \$3,800. The fees for professional services have been debited directly to equity.

These transactions are not reflected in the Statement of Cashflows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2005

Note 1 - Statement of Significant Accounting Policies

(a) Basis of Accounting

The financial information has been prepared in accordance with the measurement but not all of the disclosure requirements of Australian Accounting Standards and Urgent Issues Group Consensus Views. In the view of the Directors of Monax Mining Ltd ("the company"), the omitted disclosures would provide no relevant information to potential investors.

The financial information has been prepared on an accruals basis and is based on historical costs and does take into account changing money values or, except where stated, current valuations of non-current assets.

(b) Income Tax

The group adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of pre-tax accounting profit and taxable income, are brought to account as either a provision for deferred income tax or an asset described as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse changes will occur in income taxation legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development incurred are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular view is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(d) Employee entitlements

Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2005

Note 2 – Adoption of Australian Equivalents of International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005 the company must comply with Australian equivalent of International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board.

Financial information in this prospectus has been prepared in accordance with Australian Accounting Standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and AIFRS identified by management to date as potentially having a significant effect on the financial position and financial performance of the group are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and AIFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

Impairment of Assets

Under AASB 136: "Impairment of Assets" the group's assets will be required to be tested for impairment on a discounted cashflow basis for each cash generating unit. This may lead to write downs in the carrying value of the group's assets more often than would be required under the existing policy.

Share Based Payments

AASB 2 "Share Based Payments" requires that shares and share options issued as part of employees remuneration payments and also payments made to other counterparties in return for goods and services shall be measured at the more readily determinable fair value of the good/service or the fair values of the equity instrument. This amount will be expensed in the Statement of Financial Performance.

Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

Exploration for and Evaluation of Mineral Resources

The major changes under AASB 6 "Exploration for and Evaluation of Mineral Resources" to the current Accounting Standard will be:

- The application of area of interest accounting for its exploration and evaluation expenditure.
- Performance of impairment testing on those assets when the facts and circumstances suggest the carrying amount of the assets exceed the recoverable amount.

It is not anticipated that the impact of adopting Australian Equivalents of International Financial Reporting Standards will lead to material adjustments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2005

Note 3 – Basis of Preparation of the Consolidated Pro Forma Statement of Financial Position

The Pro Forma Statement of Financial Position has been prepared from the Reviewed Statement of Financial Position adjusted for the following transactions as if they had taken place on 31 May 2005:

3.1 Assuming Minimum subscription

- Issue of 4,250,000 shares to seed investors to raise \$425,000 to fund the Company's working capital requirements.
- In accordance with the offer outlined in the Prospectus the issue of 12,500,000 shares at \$0.20 per share to raise \$2,500,000 (Minimum subscription).
- Repayment of advances made to the company by director related entities \$31,530;
- The issue of 3,527,776 shares to Havilah Resources NL, representing 10% of the issued capital of the Company (at minimum subscription), in consideration for 100% interests in certain exploration tenements in South Australia. The fair value of the consideration being \$1,000,000.
- The payment of expenses associated with the offer as outlined in the Prospectus. The expenses associated with the offer are estimated to be \$509,210 and have been charged directly against equity.

3.2 Assuming Full Subscription

If the offer is fully subscribed the following transactions will occur in addition to those noted above:

- In accordance with the offer outlined in the Prospectus the issue of an additional 12,500,000 shares at \$0.20 per share to raise a further \$2,500,000.
- The issue of a further 1,388,889 shares to Havilah Resources NL, representing 10% of the issued capital of the Company (at Full subscription).
- The payment of additional expenses associated with the offer as outlined in the Prospectus. The additional expenses associated with full subscription are estimated to be \$150,000 and have been charged directly against equity.

Reviewed	Pro Forma Minimum Subscription	Pro Forma Full Subscription
31 May 2005	31 May 2005	31 May 2005
\$	\$	\$

Note 4 – Cash Assets

Cash on hand and at Bank	<u>3</u>	<u>2,393,062</u>	<u>4,743,062</u>
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MONAX MINING LTD
ACN 110 336 733

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2005

Note 5 – Exploration, Evaluation
& Development costs

Capitalised tenement expenditure	<u>26,742</u>	<u>1,026,742</u>	<u>1,026,742</u>
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Note 6 – Current Payables

Trade Creditors	8,660	3,659	3,659
Other payables *	<u>31,533</u>	<u>-</u>	<u>-</u>
	<u>40,193</u>	<u>3,659</u>	<u>3,659</u>

* Amounts are advances in the Financial Statements which are repayable on successful fundraising and floating the company on the Australian Stock Exchange.

Note 7 – Contributed Equity

	Number of shares issued	\$
Paid up capital		
Fully paid ordinary shares on issue at 31 May 2005	<u>15,000,003</u>	<u>13,503</u>
Issue of 4,250,000 shares for working capital	4,250,000	425,000
Pursuant to this Prospectus – minimum subscription	12,500,000	2,500,000
Issue of 3,527,778 shares on acquisition of Havilah Resources tenements	3,527,778	1,000,000
Less Capital Raising Costs	<u> </u>	<u>(509,210)</u>
At minimum subscription	<u>35,277,781</u>	<u>3,429,293</u>
At full subscription the following transactions will occur in addition to those noted above:		
Additional shares to full subscription	12,500,000	: 2,500,000
Additional shares to Havilah to ensure 10% ownership of the Company at completion	1,388,889	-
Less: additional capital raising costs	<u> </u>	<u>(150,000)</u>
At Full subscription	<u>49,166,670</u>	<u>5,779,293</u>

MONAX MINING LTD
ACN 110 336 733

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2005

Note 7 – Contributed Equity (continued)

Share options

Share options on issue at 31 May 2005	9,000,000
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Options to be issued under agreement for the acquisition of Havilah tenements	
--	--

	1,000,000
--	-----------

	<u>10,000,000</u>
--	-------------------

The share options are unlisted and have the following terms and conditions:

• Exercisable at 25 cents at any time up to 30 June 2008	5,000,000
• Exercisable at 30 cents at any time up to 30 June 2009	2,500,000
• Exercisable at 40 cents at any time up to 30 June 2010	2,500,000
	<u>10,000,000</u>

5. LEGAL REPORT ON TENEMENTS

Our Ref: GD MONX50160
Your Ref:
File Principal: Glenn Davis - (08) 8210 2221
Contact: Peter Kupniewski - (08) 8210 2236
Direct Email: pkupniewski@dmawlawyers.com.au

12 July 2005

The Directors
Monax Mining Limited
140 Greenhill Road
UNLEY SA 5061

DMAW LAWYERS
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Facsimile +61 8 8210 2233
Email: dmaw@dmawlawyers.com.au

Dear Sirs

Legal Report on Tenements

Introduction

This report is prepared for inclusion in a prospectus to be issued by Monax Mining Limited (**Company**) on or about 12 July 2005 (**Prospectus**). A schedule of tenements and applications for tenements in respect of which the Company holds an interest (**Tenements**) is attached to and forms part of this report (**Schedule**).

For the purpose of this report we have conducted searches of the Tenements in:

- the register maintained by Primary Industry and Resources South Australia (**PIRSA**);
- the register maintained by the National Native Title Tribunal (**NNTT**).

On the basis of the searches conducted we consider that this report (including the Schedule) provides an accurate, without intending to be exhaustive statement as to the status of the Tenements and the Company's interest in the Tenements as at the date of the relevant searches.

Tenements

The Tenements comprise exploration licences granted or applied for under the *Mining Act 1971* (SA) (**Mining Act**). Under the Mining Act, the holder of an exploration licence may apply for and, subject to the Mining Act and the conditions of the licence, has the right to have granted one or more mining leases over any part of the land within the area of the licence. Prior to the expiration of the term of any of the exploration licences set out in the Schedule, an application may be made to convert it to one or more mining leases.

Mining tenements (including the Tenement listed in the Schedule) are granted subject to various conditions prescribed by the Mining Act including payment of rent, compliance with minimum expenditure and reporting requirements and standard environmental conditions. Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, and environmental protection legislation. These standard conditions are not detailed in this report.

Native Title

The results of our searches conducted in the register of the NNTT show that certain of the Tenements are subject to native title claims (refer to the Schedule). This may affect the Company's ability to obtain access to certain of its exploration areas or to obtain mining leases, for the reasons set out below.

In 1992 the High Court of Australia delivered judgment in the matter of *Mabo v Queensland*, in which indigenous rights in Australian land were recognised as having existed at the time sovereignty over Australia was first asserted by Great Britain, and further, that such indigenous land rights had survived thereafter. Such was the creation of 'native title' rights and interests, which is the collective term given to describe the rights held by Aboriginal and Torres Strait Islander peoples to use and enjoy lands.

In order to protect the common law rights recognised by the High Court in *Mabo v Queensland*, the Commonwealth Parliament enacted the *Native Title Act 1993* (Cth) (**NTA**) to regulate dealings with native title lands. The substantive provisions of the NTA came into operation on 1 January 1994.

The NTA validated acts of the Commonwealth which had occurred prior to the introduction of the NTA, and which would, subsequently, be inconsistent with the protected status of native title. The NTA further made provision for the future ability of governments to extinguish and otherwise affect the native title rights and interests of indigenous Australians (**Future Acts**).

At the time of the introduction of the NTA governments had considered that the grant of a pastoral lease was sufficient to extinguish all native title rights and interests in the land the subject of the lease. However, in 1996 the High Court declared, in the case of *Wik Peoples v Queensland*, that the granting of a pastoral lease would not always result in the extinguishment of native title rights as some native title rights could co-exist with the rights conferred by a pastoral lease.

As a result of the *Wik* decision, doubt was cast over the validity of acts done during the period from the introduction of the NTA (1 January 1994) up until the delivery of the *Wik* decision (23 December 1996).

Accordingly, the NTA was amended to provide a legislative scheme for:

- a process by which native title may be validly extinguished (Future Acts, as referred to above);
- the validation of past acts (including mining tenements and ancillary titles), and intermediate acts affecting native title lands (inclusive of Commonwealth, State and Territory governments);
- the authorisation of acts done in relation to native title lands which occurred after the introduction of the NTA;
- a process by which native title holders have a right to negotiate with the Government and non-native title parties as to the use of native title lands (including negotiations relating to the renewal, variation or grant of a right to mine) (**Right to Negotiate**); and
- the payment of compensation to native title holders for the extinguishment or impairment of native title.

The Mining Act was amended in 1996 by the *Native Title (South Australia) Act 1994* to establish specific provisions for land access and a separate right and procedure to negotiate for native title lands in South Australia (Right to Negotiate as referred to above).

Tenements listed in the Schedule are Future Acts for the purposes of the Mining Act and the NTA. Any Future Act which fails to comply with the procedures of the Mining Act in respect of the Right to Negotiate will be invalid to the extent that native title is affected.

Pursuant to Part 9B of the Mining Act, Exploration Licenses do not provide to the holders any right to carry out mining operations, prospecting, exploring or mining for minerals on native title land. However, mining operations which do not affect the existence, enjoyment or exercise of any right provided by native title, or for which a declaration has been made under State or Commonwealth law that the land is not subject to native title, are not restricted.

The holder of an Exploration Licence is required to enter into negotiations for an agreement with the relevant area's native title holders and/or claimants, or apply to the South Australian Environment Resources and Development Court (**ERDC**) in order to have such mining operations authorised under Part 9B of the Mining Act.

Negotiations are initiated by giving notice to native title holders in accordance with Part 9B of the Mining Act, the ERDC and the Minister. The negotiations are then required to be pursued within 2 months of the giving of notice. If the parties fail to reach an agreement within 4 months from the time of giving of notice, any party is at liberty to make application to the ERDC for a determination. The ERDC may then declare that mining operations may be commenced subject to such conditions considered appropriate.

If agreement is reached between the parties to authorise mining operations on the native title land, the license holder must lodge a copy of the agreement with a mining registrar for registration.

Aboriginal Heritage

The preservation and protection of objects, places, and areas of significance to Aboriginal people is provided for by the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) and the *Aboriginal Heritage Act 1988* (SA) (**State Heritage Act**).

Under the Commonwealth Heritage Act the responsible Commonwealth Minister is empowered to declare an area or object to be of Aboriginal significance and to be preserved and protected accordingly. Such a declaration can potentially inhibit exploration activities on the Tenements.

Pursuant to the South Australian Heritage Act protection and preservation is extended to sites, objects and remains of Aboriginal significance. If any Aboriginal site, object or remains were to be discovered by the Company, such discovery must be reported to the relevant Government Minister. It is an offence to fail to report a finding, to cause damage to any Aboriginal object, disturb, or interfere with, or remove any Aboriginal object or remains, whether reported in the register or not.

Before conducting any activities in relation to the land affected by mining tenements, it is usual for a Company to obtain a clearance for Aboriginal heritage. Obtaining a clearance will not relieve the Company of its continuous obligations under the Commonwealth Heritage Act or the State Heritage Act.

Qualifications

In preparing this report:

- we have assumed the accuracy and completeness of all Tenement searches and other information or responses which were obtained from PIRSA and the NNTT;
- we have not undertaken any enquiries with respect to the status of any negotiations with the traditional owners of land affected by the Tenements;
- with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed; and
- in relation to native title claims, the Schedule is accurate as at 24 May 2005 as it is based on searches from the NNTT at that date. In relation to all other information in the Schedule, the Schedule is accurate as at 16 July 2005 as it is based on searches from PIRSA at that date. We cannot comment on whether any changes have occurred in respect of the Tenements between the dates of the searches and the date of the Prospectus.

Consent

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully
DMAW Lawyers

A handwritten signature in black ink, appearing to read 'G. Davis', written over a horizontal line.

Glenn Davis

Schedule of Tenements and Applications

Tenement	Registered Holder or Applicant	Status	Expiry Date	Commitment	Native Title Claims	
Mt Hope (EL 3355)	Monax Mining Limited	Active	23/5/2006	\$60,000	SC97/8	Nauo-Barngarla
Moorlands (EL 3356)	Monax Mining Limited	Active	23/5/2006	\$60,000	SC96/4	Barngarla
					SC97/8	Nauo-Barngarla
Waddikee (EL 3357)	Monax Mining Limited	Active	23/5/2006	\$120,000	SC96/4	Barngarla
Ambrosia (EL 3358)	Monax Mining Limited	Active	23/5/2006	\$115,000	SC95/7	Antakirinja
					SI2004/003	Antakirinja Area Minerals Exploration
Wynbring (EL 3359)	Monax Mining Limited	Active	23/5/2006	\$55,000	SC01/1	Far West Coast
Dingo Hill (ELA 55/05)	Monax Mining Limited	Current	N/A	N/A	SC97/7	Gawler Ranges
Eureka Bluff (ELA 59/05)	Monax Mining Limited	Current	N/A	N/A	SC97/7	Gawler Ranges
Mattaweara (EL 2964)*	Havilah Resources NL	Active	30/5/2006	\$240,000	SC96/4	Barngarla
					SC99/2	Kokatha
Parndana/Western River (ELA 190/05)*	Havilah Resources NL	Current	N/A	N/A	Nil	

*Note: These Tenements are the subject of the agreement with Havilah Resources NL summarised in section 6(a) of this Prospectus.

In the Schedule:

EL means Exploration Licence granted under the Mining Act.

ELA means application for the grant of an Exploration Licence under the Mining Act.

6. SUMMARY OF MATERIAL CONTRACTS

(a) Agreement with Havilah Resources NL (*'Havilah'*)

By an agreement in writing between the Company and Havilah dated 24 June 2005 (*'Agreement'*), Havilah agreed to transfer to the Company South Australian exploration licences EL 2964, EL 2725 and EL 3088 (*'Tenements'*). Under the Agreement, Havilah also agreed to provide to the Company all information it has relating to the Tenements.

In part payment for the tenements, on signing the Agreement the Company issued to Havilah 2,138,889 Shares and the following Options:

- 500,000 'A' class Options
- 250,000 'B' class Options
- 250,000 'C' class Options

Options issued to Havilah can not be transferred or exercised until the Listing Condition is satisfied. If the Listing Condition is not satisfied before the first anniversary of the Agreement, the Options will expire worthless. Options are issued to Havilah otherwise on the same Option terms set out in section 3.6 of this Prospectus.

If ASX approval is given to quotation of the Shares on ASX (*'ASX Approval'*), the Company will issue further Shares to Havilah such that after the issue, Havilah will hold 10% of the issued Shares and Options in the Company as at the date of issue of Shareholder statements under this Offer.

For example, if no more than the Minimum Subscription under the Offer is received (that is, Valid Applications for 12,500,000 Shares resulting in 33,888,892 total issued Shares before the issue of further Shares to Havilah) Havilah will be issued a further 1,388,889 Shares giving it a total holding of 3,527,778 Shares (10% of all Shares then on issue). If Full Subscription is received Havilah will be issued a further 4,166,667 Shares.

Before the Tenements are transferred pursuant to the Agreement, the Company must obtain the consent of the South Australian Government Minister responsible for the administration of the Mining Act (SA) (*'Ministerial Consent'*).

If Ministerial Consent or ASX Approval is not obtained:

- the Company will, subject to any necessary Ministerial Consent, transfer the Tenements back to Havilah and return to Havilah all information it provided to the Company in relation to the Tenements;
- Havilah will (subject to the approval of Monax Shareholders) transfer all Shares issued to it under the Agreement to Monax to be cancelled; and
- the Agreement will be at an end.

Havilah and the Company may waive the condition that ASX Approval be obtained.

Under Agreement, the Company has also agreed to accept in priority over any other application, all Valid Applications for Shares received from shareholders of Havilah, up to a maximum of one Share for each three issued shares in Havilah then held (*'Priority Offer'*).

To facilitate the Priority Offer, Havilah will provide to the Company a list of the names and postal addresses of its members and has given its consent to the Company sending to those members, a Prospectus and application form, together with a covering letter.

(b) **Agreements with the Directors**

Remuneration

Non-Executive Directors are paid an annual fee for their service on the Board and all committees of the Board within the maximum aggregate sum for such Directors approved from time to time by Shareholders. The current maximum aggregate sum is \$300,000 per annum. The remuneration of individual Directors will be determined after (and if) the Listing Condition is satisfied and then with regard to the total amount raised under the Offer.

Deeds of access, indemnity and insurance

The Company has entered into deeds of access, indemnity and insurance with each Director which confirm the Director's right of access to Board papers and require the Company to indemnify the Director for liability incurred as an officer or promoter of the Company, subject to the restrictions imposed by the Corporations Act and the terms of its Constitution.

7. **GLOSSARY**

Unless the context otherwise requires, the following words used in this Prospectus and in the Application Form have the corresponding meanings set out below.

Acid rock	Igneous rocks with over 66% silica.
Aeolian	Sediments and erosional features resulting from wind action eg. a dune.
Ag	Symbol for the element silver
Air mag survey	Airborne survey measuring the strength of the Earth's magnetic field along equally spaced lines.
Alteration	A geological term indicating change in the mineralogical composition of rocks often brought about by pressure changes, contact with hydrothermal fluids and weathering processes.
Amphibolite	Metamorphic rock composed of amphibole and plagioclase, often from the alteration of basic igneous rocks.
Anomaly	A departure from the norm usually determined by systematic measurement across an area. In mineral exploration is generally applied to geochemical or geophysical values

	above or below the norm.
Archaean	An interval of geological time before about 2.5 billion years ago.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Stock Exchange Limited.
Au	Symbol for the element gold.
Basalt	A volcanic rock formed from lava and rich in calcium, magnesium and iron minerals, but relatively low silica.
Basement	Much older rocks underlying younger rocks. In the Gawler Craton area, the basement is usually the cratonic rocks.
Base metal	A metal commonly used in industry by itself rather than in an alloy eg. copper, lead, zinc.
Basin	A depression often due to subsidence in which rock materials are laid down, eg. lava, sediments.
Basic rock	Igneous rock with generally less than 55% silica eg. basalt.
Bedrock	Solid or lithified rock.
Breccia	Coarse-grained rock composed of angular clasts. Brecciation is the shattering of rocks into such clasts.
Cainozoic (Cenozoic)	Era of geological time including the Tertiary and Quaternary, extending from 65 million years ago to the present.
Calcrete	A surficial calcareous layer formed in the soil or near surface sediments.
Cambrian	The earliest period of the Palaeozoic Era, spanning from approximately 545 million to 490 million years ago.
Carbonaceous	Usually applied to a sedimentary rock containing carbon (often as plant matter) as detrital material.
Carbonate	Rocks composed of carbonates of calcium, iron or magnesium eg limestone, dolomite.
Chemical metasediment	A metamorphosed sediment that was originally formed by chemical precipitation.
Chlorite	A dark mica mineral.
Closing Date	has the meaning given in section 3.1.
Company	Monax Mining Limited ACN 110 336 733, a company registered under the <i>Corporations Act</i> on 3 August 2004.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Cover	Surficial sediments mantling older rocks and part of the regolith.
Cr	Symbol for the element chromium
Craton	A large, tectonically stable part of the Earth's crust eg. Gawler Craton, Yilgarn Craton.

Crust	Outermost layer of the Earth.
Cu	Symbol for the element copper.
Demagnetisation	Reduction in remanent magnetisation.
Diamond core/drilling	Drilling with a diamond impregnated drill bit used to recover continuous core.
Dilatant	Increase in volume while maintaining shape or expansion along faults.
Diorite	A group of plutonic rocks, intermediate in composition between acid and basic rocks, commonly composed of dark coloured amphibole, acid plagioclase, pyroxene and small amounts of quartz.
Dolomite	A carbonate mineral composed mainly of calcium and magnesium, often containing iron. The term is commonly applied to the carbonate rock dominated by these minerals.
Domain	A region where the geological fabric, in particular the magnetic fabric, is distinctive from surrounding regions.
Directors	The board of directors of the Company.
EL	Exploration Licence granted by a Government Department (PIRSA) for mineral exploration.
ELA	Exploration Licence Application made by a company to a Government Department (PIRSA) for mineral exploration.
Electromagnetic survey (EM)	An exploration technique, involving a survey carried out along equally spaced lines, that measures change's in the Earth's magnetic field at different times after the application of an electrical field. May identify anomalies where the rocks are conductive (such as some ore bodies) that present drill targets.
Epidote	Yellow green hydrated iron, aluminium, calcium silicate often a result of metamorphism or hydrothermal alteration.
Epigenetic	A mineral deposit younger than the enclosing rock.
Epithermal	Usually applied to a hydrothermal mineral formed in a temperature range 50-200°C within about the upper kilometre of the Earth's crust.
Extrusive	An igneous rock that has been erupted onto the Earth's surface.
Fault	A fracture in rocks in which rock on one side has moved relative to rock on the other.
Fe	Symbol for the element iron.
Felsic	Light coloured igneous rocks rich in silica.
Ferricrete	Surficial layer cemented with iron oxide.
Flow front	In this context, the front of a lava flow.
Full Subscription	means the receipt before the Closing Date of Valid Applications for at least 25 million Shares under the Offer.

Gahnite	Zinc silicate mineral.
Garnet	A red brown crystalline silicate mineral found in metamorphic rocks.
Geochemical survey	An exploration technique involving a systematic survey of the variation of chemical elements in rocks or regolith in an area and often producing anomalies that present drill targets.
Geophysical survey	An exploration technique involving a systematic survey of the variation in the physical properties of the rocks or regolith (eg. electrical resistivity/conductivity, magnetism, gravity) to help in understanding the geology or defining drill targets in an area.
GIS	Geographic Information Systems is a technology used to view and analyse data from a geographic perspective. GIS links location to information and layers that information to give a better understanding of how it interrelates. Maps of the underlying geographic information can be constructed and used as "windows into the database" to support queries, analysis, and editing of the information.
Gneiss	A banded metamorphic rock in which crystalline rock is interspersed with flaky micaceous minerals.
Gossan	An iron-rich, weathered product overlying a sulphide deposit.
Granite	A plutonic felsic igneous rock composed of quartz, feldspar and mica.
Granitoid	Synonym of granitic, but often used to refer to granitic-like rocks.
Graphitic	Rocks rich in graphite.
Gravity survey	A geophysical survey technique in which the force of gravity is systematically measured over an area, often producing anomalies, which may present drill targets.
Greenstone	Low grade metamorphic rocks of basic composition, of Archaean age in the Yilgarn and Gawler Cratons, commonly bearing nickel and gold.
Haematite	A mineral composed mainly of ferric iron oxide and the main component of iron ore.
Hydrothermal	The process by which hot water-rich solutions transfer materials or alter rocks within the Earth's crust.
Igneous	Rocks formed by crystallisation from molten materials.
Intrusive rocks	An igneous rock that was intruded whilst molten into the Earth's crust eg. dyke, pluton, sill.
IP (Induced Polarisation) survey	A geophysical technique carried out by passing a pulsating electrical current through the ground and measuring the effect of rocks and minerals in its path and locating anomalies that may present drill targets. Often used to detect the presence of metallic sulphides.
Iron formation	A sedimentary rock containing significant iron as oxide,

	carbonate or silicate.
Komatiite	Magnesium-rich mafic to ultramafic extrusive rock, sometimes containing nickel.
Lignitic	Usually applied to a carbonaceous sedimentary rock containing abundant organic matter, approaching low grade coal often as lenses and thin beds. Typical of sediments laid down on floodplains and deltas.
Lineament	A major linear feature in the Earth's crust (eg. a major fault) and often associated with mineral deposits.
Listing Condition	Has the meaning given in section 3.2(b).
Lode gold	Gold contained within definite boundaries such as a vein.
Mafic	A dark coloured rock composed of ferro-magnesian minerals.
Magma	Molten rock and mineral materials.
Magnetite	Iron oxide mineral with a formula generally Fe_3O_4 .
Manganese	A silver coloured metal usually occurring as the mineral pyrolusite (MnO_2), which is the principal ore of manganese.
Mesoproterozoic	An interval of geological time in the Proterozoic extending from 1.6 to 1.0 billion years ago.
Mesozoic	A period of geological time extending from 251 million to 65 million years ago and known as the age of the reptiles.
Metagreywacke	A metamorphosed, poorly sorted sandstone containing rock fragments, often in a clay-rich matrix.
Metamorphism	Changes to rocks generally brought about by heat and pressure within the Earth's crust resulting in rocks such as schist and gneiss.
Metasediment	Metamorphosed sedimentary rock in which the original texture is well preserved.
Minimum Subscription	The receipt before the Closing Date of Valid Applications for at least 12.5 million Shares under the Offer.
Neoproterozoic	An interval of geological time in the Proterozoic extending from 1.0 billion to 545 million years ago.
Ni	Symbol for the element nickel.
Offer	The offer of Shares made under this Prospectus.
Offer Conditions	The minimum subscription condition set out in section 3.2(a) and the Listing Condition;
Official List	The official list of ASX.
Official Quotation	Quotation of the Shares on ASX.
Orogenic	Forming during an orogeny or mountain building phase.
PACE	The current South Australian Government's initiative to reinvigorate the resources industry entitled <i>Plan for</i>

	<i>Accelerating Exploration</i> of which assisted drilling is an important part.
Palaeochannel	An ancient river channel now filled with sediment and preserved in the geological record; commonly of Tertiary age on the Gawler Craton.
Palaeoproterozoic	The older part of the Proterozoic extending from 2.5 billion to 1.6 billion years ago.
Pb	Symbol for the element lead.
Pelitic metasediment	A metamorphosed mud-rich or argillaceous sediment.
Percussion drilling	Drilling carried out by hammering a pneumatically driven drill bit into the rock.
PIRSA	The Department of Primary Industries and Resources South Australia, the geological survey and regulatory authority in SA.
Pisolitic	A rock made up of pea-like rounded grains, commonly in ferricrete, laterite and bauxite.
Plutonic	An igneous rock that has solidified slowly at depth in the Earth's crust, usually producing medium to coarse grained rocks eg. granite.
Precambrian	All of geological time preceding the Cambrian (>545 million years ago).
Promoter	Has the meaning given in the Listing Rules of ASX.
Prospectus	This prospectus, in paper or electronic format and any supplementary or replacement prospectus.
Prospectus Date	The date appearing on the cover of this Prospectus.
Proterozoic	The latest part of the Precambrian spanning approximately 2.5 billion to 550 million years ago.
Proximal source	In the context of mineralising fluids it implies the source of the fluids is nearby.
Pyrite	The mineral iron sulphide, often associated with copper and gold.
Pyroxenite	An igneous rock composed mainly of pyroxene.
Quartz	A very common mineral silicon oxide (SiO ₂).
Quaternary	The second period of the Cainozoic that encompasses the last 1.8 million years and includes the Pleistocene and Holocene.
Radiogenic	A term used to refer to a product of radioactive processes eg. heat, lead. In our context we use the term to refer to a granite containing radioactive material (uranium).
Radiometric survey	An (airborne) exploration survey technique in which measurements are made of the ambient radiation from the Earth's surface.

REE	Rare Earth Elements.
Regolith	Layer of weathered rock and surficial sediment overlying fresh rock.
Relevant Interest	Has the meaning given in the Corporations Act.
Remote sensing	The study of the Earth's surface and its materials, using such means as photography, spectroscopy and radar by aeroplanes and satellites eg LANDSAT.
Resource	A well-defined estimate of mineralisation.
Rift sequence	A succession of sediments, laid down in a broad, continental scale downfaulted basin eg. the Rift Valley sediments in Africa.
Roll front uranium	Uranium accumulated at the interface between uranium-bearing oxygen-rich groundwater and a reducing aquifer host.
SAEI	South Australian Exploration Initiative.
Schist	A metamorphic rock characterised by partings along planes of medium-grained platy micaceous minerals.
Sericite	A fibrous muscovite often resulting from the alteration of feldspar.
Shares	Fully paid ordinary shares in the capital of the Company.
Shareholders	Holders of Shares.
Shear zone	A linear zone such as a fault in which rocks have been deformed.
Siltstone	A fine-grained sedimentary rock composed of silt.
Sirotem	An electromagnetic exploration survey technique developed by the CSIRO.
Solid geology	In this case, the bedrock, excluding cover sediments, that has been interpreted from geophysical information.
Sn	Symbol for the element tin.
Sphalerite	The mineral zinc-iron sulphide, the principal ore of zinc.
Spinel	Mineral $MgAl_2O_4$ usually formed by contact metamorphism of impure dolomitic limestone.
Stratabound	In this context refers to mineralisation confined to particular sedimentary strata.
Stratiform	A stratabound deposit/ore deposited along with the enclosing sediments.
Stratigraphy	The science of the description, classification, dating, correlation and interpretation of depositional environments of sedimentary rocks.
Structurally controlled	Strongly related to a structure in the Earth's crust such as a fault.
Structural corridor	A linear zone due to earth movements.

Suite	In this context, a group of comagmatic rocks.
Sulphide	Mineral consisting of a chemical combination of sulphur with a metal(s).
Synorogenic	Forming at the same time as mountain building.
Syntectonic	Forming at the same time as any tectonic activity such as faulting and folding.
TEISA	Targeted Exploration Initiative South Australia.
TEM	An exploration technique that measures the changes in the local natural electro-magnetic field at depth in response to changes in the Earth's magnetic field, producing a map of conductance with depth. This aids in determining the local conductive zones in the rocks such as that due to mineralisation.
Tertiary	A geological period extending from 65 million years ago to about 1.8 million years ago.
U	Symbol for the element uranium.
Ultramafic	Igneous rock composed essentially of iron and magnesium.
Valid Application	Means an application for Shares completed in accordance with the instructions on the application form accompanying this Prospectus.
Vein	Mineral or metal deposited along a fracture eg lode gold.
VHMS	Volcanic hosted massive sulphide that is hosted in the volcanic rock not produced by the volcanism.
Volcanism/volcanic	Volcanic activity/rock or feature formed by volcanic activity.
Wedge off	In this context we mean undertake inclined drilling from a pre-existing drillhole.
Zn	Symbol for the element zinc.

8. CONSENTS

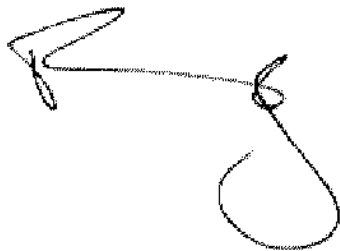
The entities set out below have given and as at the Prospectus Date had not withdrawn their written consent as set out below:

- (a) DMAW Lawyers, to being named in this Prospectus as the solicitors to the Company and to the inclusion of the legal report on tenements;
- (b) Grant Thornton, to being named in this Prospectus as the independent accountant's to the Company and to the inclusion of the independent accountant's report;
- (c) David Tonkin and Associates, to being named in this Prospectus as the independent geologist to the Company to the inclusion in this Prospectus of the independent geologist's report;
- (d) Computershare Investor Services Pty Ltd to being named in this Prospectus as the Company's share registrar. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as share registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

None of the parties listed above have caused the issue of this Prospectus.

The Directors each have consented in writing to the issue of this Prospectus and this Prospectus is issued in accordance with a resolution of the Directors.

Signed on behalf of Monax Mining Limited

A handwritten signature in black ink, consisting of a stylized 'R' followed by a large loop and a horizontal stroke extending to the left.

Robert Kennedy

Chairman