



MONAX MINING LIMITED

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ASX RELEASE

7th June 2007

DRILLING UPDATE – PUNT HILL IOCG PROJECT

Highlights

- Completion of Hoary HODD2 and Prairie Dog PHDD2 drill holes improves understanding of target geology. Down hole IP survey planned to aid in follow up drill hole locations.
- Monax to commence drilling shortly on several step out drill holes between the Groundhog and Woodchuck prospects to test for high grade mineralisation.
- Detailed gravity surveys to be conducted over regional areas of interest within Punt Hill project area.

Monax Mining Limited (ASX code: "MOX") is pleased to provide a drilling update with respect to their Punt Hill Iron Oxide Copper Gold Uranium (IOCGU) project (Figure 1), 130 km north of Port Augusta in South Australia.

HOARY PROSPECT

- An angled hole HODD2 has been completed at the Hoary prospect. The first drill hole HODD1 (742670mE, 6497965mN) intersected 111m of hematite breccia. The angled hole was designed to intersect basement at the eastern edge of the residual gravity anomaly and drill through the basement toward the west into the hematite breccia. The concept is that HODD1 intersected an hematite breccia core as at Prominent Hill and that HODD2 (743600mE, 6497690mN, 60° angle to the west) would test for the potential of a mineralised halo to the hematite core.

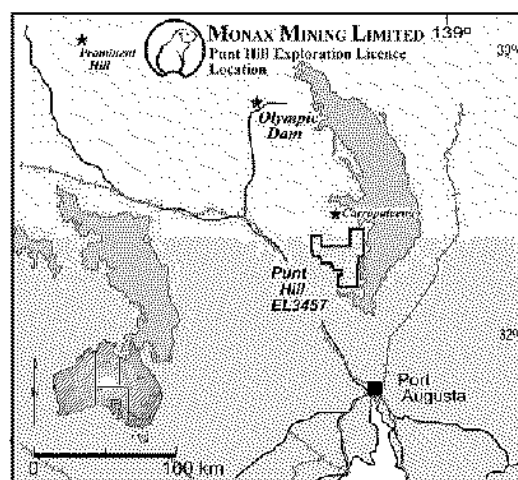


Figure 1. Location Diagram

- The angled drill hole was drilled to a depth of 1142.8m (Figure 3). Basement was intersected after 961.34m of angled drilling (or approximately 832m vertical depth) and consisted of weakly altered Gawler Range Volcanics. At 1002.1m of angled drilling the hole passed into chlorite-sericite-hematite altered Hiltaba Suite Granite



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with variable amounts of fracturing and brecciation and steely hematite veining and alteration. At 1074.8m of angled drilling the drill hole passed into a ~25m thick mineralised zone consisting of highly altered (steely hematite, amphibole, chlorite) sediments with disseminated bornite and chalcopyrite mineralisation at the contact with the granite (Figure 2). The drill hole then passed into an altered and bleached zone within the sediments with no visible mineralisation. The hole was terminated at 1114.2 m within hematite altered sediments.



Figure 2. Disseminated pyrite and chalcopyrite mineralisation in HODD2 (sample from 1104m)

- The Company believes that the drilling results are consistent with the interpreted model and that further drilling is warranted to test for the potential for higher grade mineralisation.

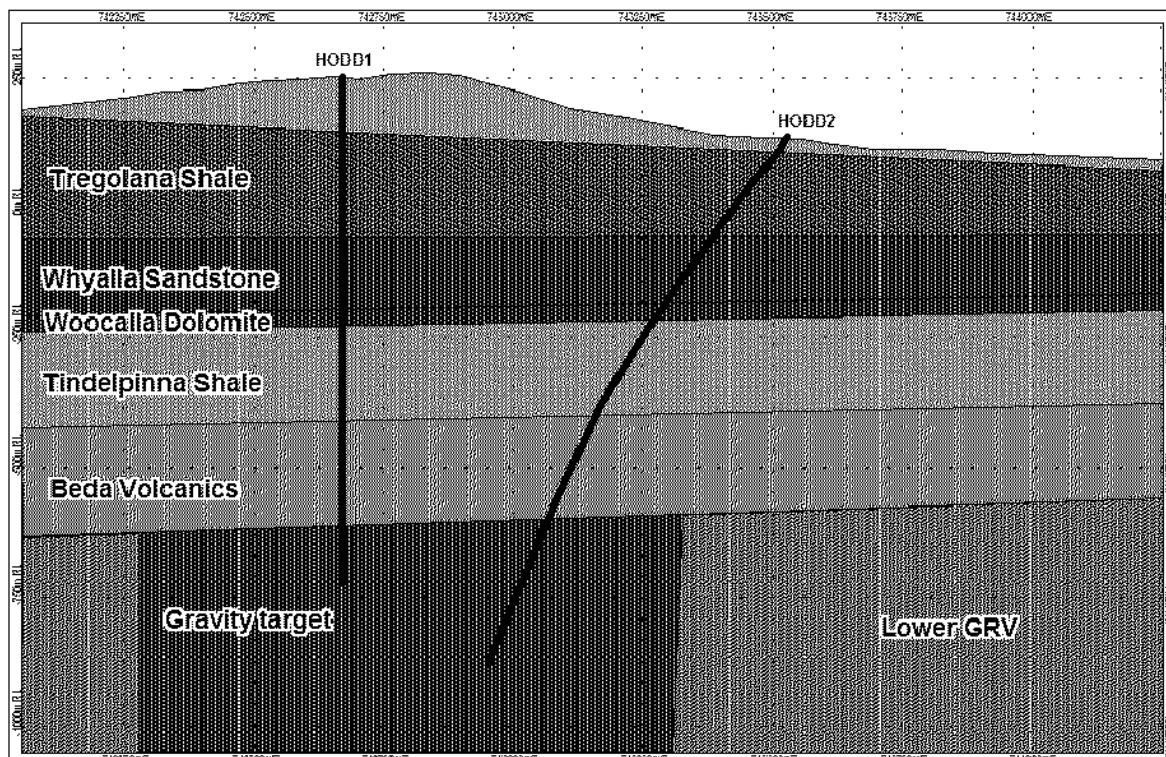


Figure 3. Cross section of the Hoary prospect showing HODD1 and HODD2



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PRAIRIE DOG PROSPECT

- Assays have been received for the Prairie Dog hole (PDDD1, 739073mE, 6507845mN) which reveal several zones of low grade mineralisation, 29m @0.12% Cu from 754-782m, 11m @0.22% Cu from 811-821m, 13m @ 0.55% Cu from 888-900m, 13m @0.33% Cu from 985-997m.
- Monax refined the geophysical model for this prospect producing results consistent with anomalously dense basement rocks in this area and aiding in the siting of follow up drill targets.
- A follow up hole PDDD2 has been drilled to the west of PDDD1 to test the interpreted dense basement rocks. PDDD2 was drilled to a total depth of 1116m (Figure 4). Basement was intersected at 832.3m in brecciated, hematite altered Gawler Range Volcanics to 860m. The hole then passed into brecciated and hematite-carbonate altered sediments with abundant fluorite. Several veins of bornite and steely hematite occur between 876 and 883m (Figure 5) passing into intermittently, disseminated pyrite and chalcopyrite mineralisation to the end of hole at 1116m.
- The rocks in drill hole PDDD2 were significantly more brecciated than those in PDDD1 indicating that the hole was placed in closer proximity to where the main zone of flow of mineralising fluids occurred.
- Monax plans to undertake down hole geophysical testing, including an Induced Polarisation (IP) survey, to aid in determining the location of followup drill holes.



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Figure 4. Residual gravity image of the Prairie Dog prospect

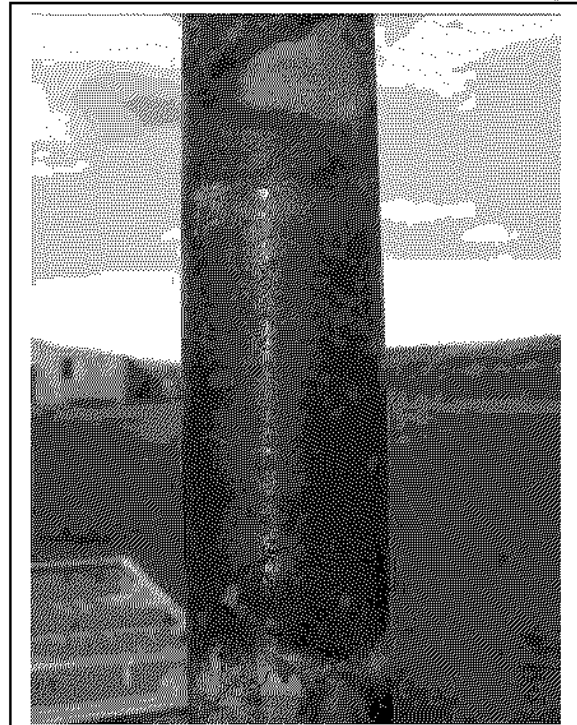


Figure 5. Bornite and steely hematite vein in PDDDD2 (sample from interval 876m – 883m)
Scale: core width 5 cm

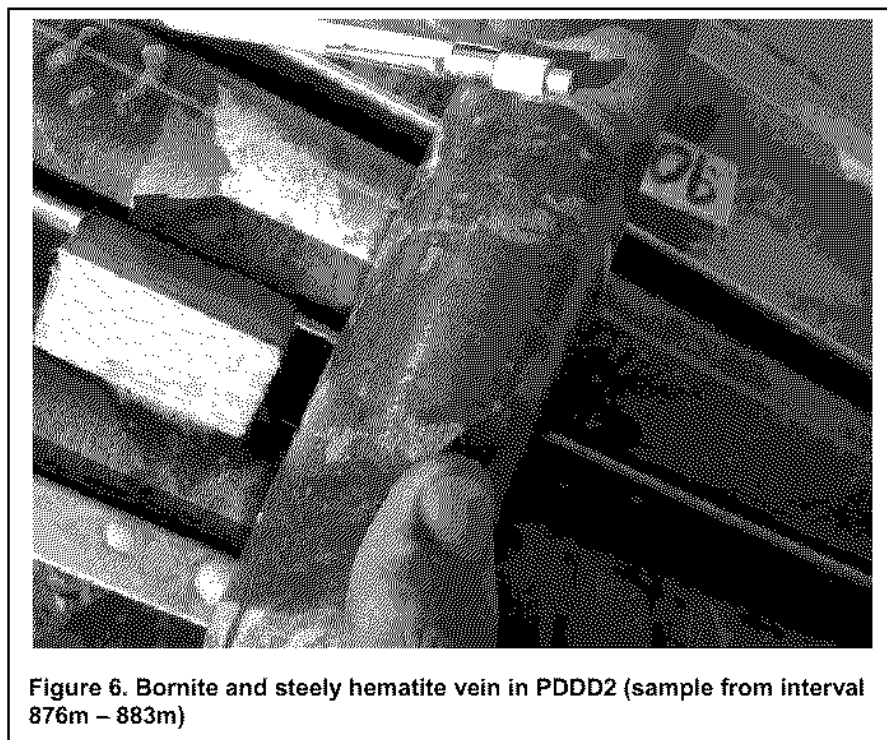


Figure 6. Bornite and steely hematite vein in PDDDD2 (sample from interval 876m – 883m)



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Figure 7. Chalcopyrite and pyrite mineralisation in PDDD2 (sample from 992.5m)



Figure 8. Chalcopyrite and pyrite mineralisation with fluorite and carbonate in veins within PDDD2 (sample from 953m)

GROUNDHOG PROSPECT

- The drill rig has now moved to the Groundhog prospect where Monax will continue to test for high grade mineralisation with several step out drill holes between the Groundhog and Woodchuck prospects.

FUTURE EXPLORATION STEPS

- Complete the planned step out drill holes between the Groundhog and Woodchuck prospects.
- Undertake downhole geophysical testing, including IP surveys, on completed holes within the Punt Hill tenement. Monax believes that this will provide vectors from the holes towards higher grade mineralisation within these large gravity features and aid in the siting of drill holes.
- Undertake detailed gravity surveys over regional gravity anomalies at Woodforde Hill and Shore Hill in the northeastern part of the Punt Hill tenement (Figure 9) to gain greater definition of the gravity anomalies and aid in determining drill hole sites.



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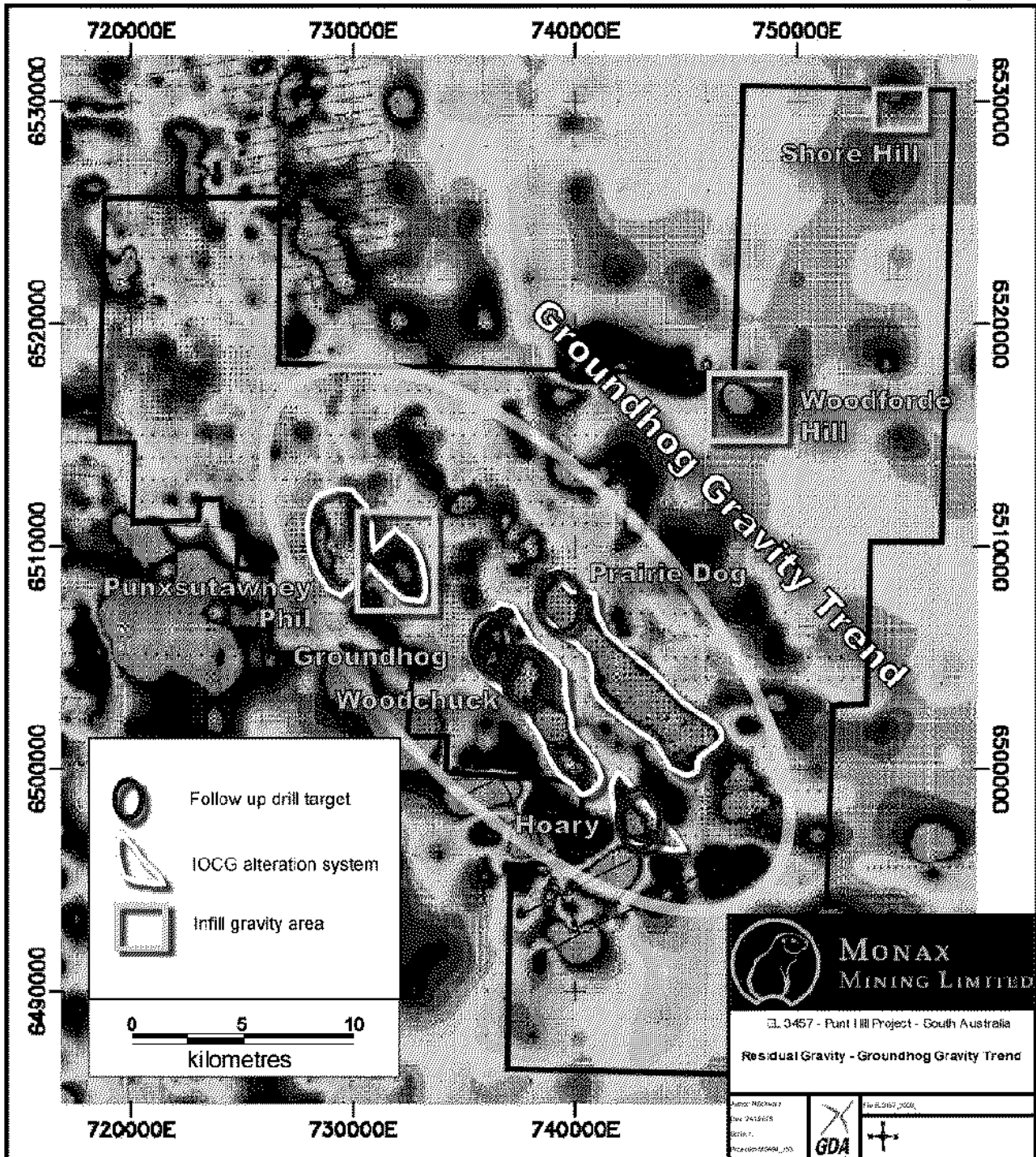


Figure 9. Residual gravity image over Punt Hill



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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr M P Schwarz, who is a Member of the Australian Institute of Geoscientists. Mr Schwarz is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" Mr Schwarz consents to the inclusion of the information in this report in the form and context in which it appears.