



**MONAX
MINING LIMITED**

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ASX RELEASE

For immediate release

31st October 2007
General Manager
The Company Announcements Office
Australian Stock Exchange Limited
PO Box H224
Australia Square
Sydney NSW 1215

Dear Sir/Madam,

Monax Mining Limited

Quarterly Report

for the period ending 30 September 2007
including the monthly report for August 2007

HIGHLIGHTS

PUNT HILL

- A significant zinc intersection was made in a second alteration system at the Prairie Dog Prospect (158.2m @ 0.32% Zn including individual metre assays of up to 4% Zn)
- These highly encouraging results may represent a significant indicator to a large IOCG system
- Evidence for higher grade copper mineralisation with 1m @ 7.58% Cu, 144 g/t Ag and 0.3 g/t Au
- Mineralisation occurs in second separate alteration system from Groundhog
- Infill gravity survey completed on five additional target areas
- Induced polarisation surveys due to commence early November

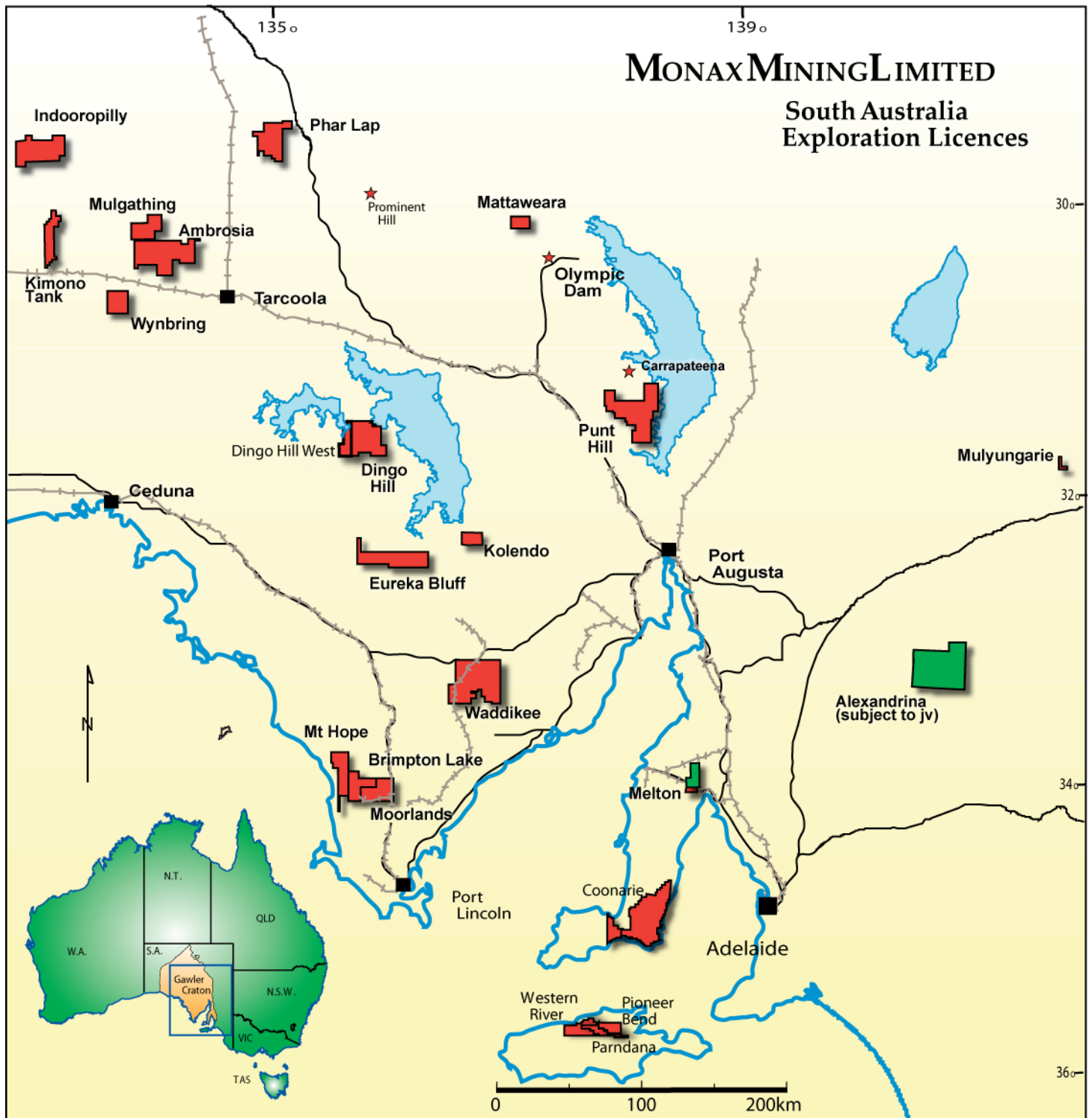
MT HOPE-MOORLANDS-BRIMPTON LAKE

- Regional PACE sponsored drilling has been completed at Mount Hope on southern Eyre Peninsula has highlighted strong potential for gold and nickel and major VHMS copper/zinc systems hosted in the newly discovered Archaean greenstones.
- 178 drill holes have been drilled to an average depth of 15.5m (Total = 2770m).
- Approximately 50-60% of holes have intersected basement at depths of 5-20m.



Tenement Status

Project	Tenement	Status	Acquired	Area (km ²)
Ambrosia	EL 3358	Granted	100%	854
Mt Hope	EL 3355	Granted	100%	320
Moorlands	EL 3356	Granted	100%	324
Parndana	EL 3376	Granted	100%	100
Western River	EL 3088	Granted	100%	301
Wynbring	EL 3359	Granted	100%	247
Eureka Bluff	EL 3458	Granted	100%	549
Dingo Hill	EL 3394	Granted	100%	516
Mattaweara	EL 2964	Granted	100%	119
Waddikee	EL 3357	Granted	100%	1004
Punt Hill	EL 3457	Granted	100%	887
Brimpton Lake	EL 3561	Granted	100%	222
Mulgathing	EL 3684	Granted	100%	258
Kimono Tank	EL 3685	Granted	100%	234
Kolendo	EL 3732	Granted	100%	130
Indooroopilly	EL 3775	Granted	100%	570
Dingo Hill West	EL 3788	Granted	100%	195
Pioneer Bend	EL 3880	Granted	100%	95
Coonarie	EL 3907	Granted	100%	848
Coonarie	EL 3908	Granted	100%	133
Phar Lap	EL 3909	Granted	100%	459
Mulyungarie	EL 3910	Granted	100%	17
Melton	EL 3911	Granted	100%	28



Granted tenements



Exploration licence application



Punt Hill Drill Program

Monax Mining Limited (ASX code: "MOX") has received geochemical assays from the second drill hole, PDDD2 at the Prairie Dog Prospect at the Punt Hill Iron Oxide Copper Gold Uranium (IOCGU) project (Figure 1), 130 km north of Port Augusta in South Australia.

PDDD2 was drilled 300m to the north-east of PDDD1 to test dense basement rocks identified after remodeling of the detailed gravity. Basement was intersected at 832.3m consisting of brecciated and hematite altered Gawler Range Volcanics to 860m. The hole then passed into brecciated and highly altered sediments with abundant fluorite. Several veins of bornite and steely hematite occur between 876 and 883m passing into intermittent disseminated and veined pyrite, chalcopyrite and sphalerite mineralisation to the end of hole at 1014.2m.

Significant results are as follows;

158.2m @ 0.32% Zn from 856m to 1014.2m (EOH)
- with individual metre assays up to 4% Zn

99m @ 0.24% Cu from 876m to 975m
- including 1m @ 7.58% Cu, 144 g/t Ag and 0.3 g/t Au (between 880m – 881m) at the contact between the altered basement sediment and overlying altered Gawler Range Volcanics (an interpreted zone of focused hydrothermal fluid flow, observed consistently in other drill holes into the Punt Hill alteration systems)

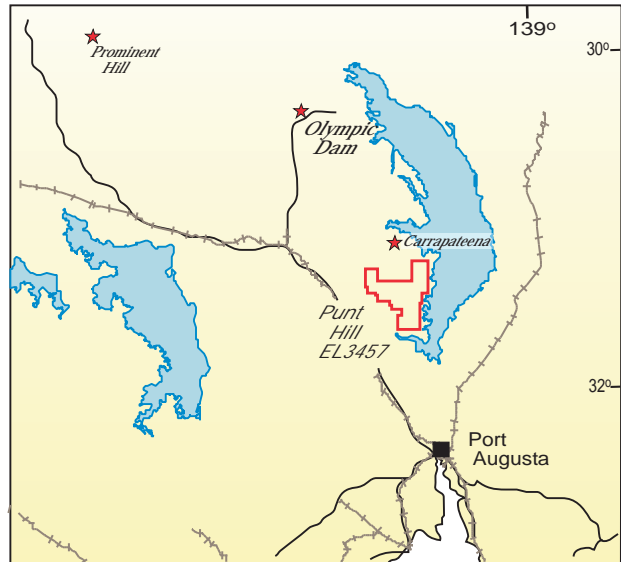


Figure1. Location of Punt Hill tenement

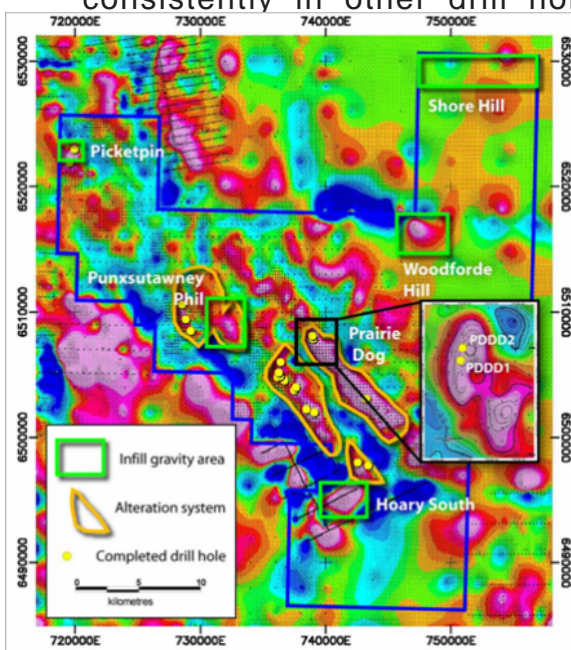


Figure 2: Punt Hill residual gravity image

We consider the extensive zone of low grade zinc and copper mineralisation to be highly encouraging, representing a significant proximal chemical indicator to a large iron oxide copper-gold (IOCG) system. Anomalous base metals such as zinc are observed in proximity to other well known IOCG systems as part of a zonation from a copper-gold dominant core to base metal dominant halo.



Sphalerite, chalcopyrite and pyrite mineralisation in PDDD2 (sample from 992.5m)



Bornite and steely hematite vein in PDDD2 (sample from interval 880m – 881m)



Infill Gravity

An infill gravity survey has been completed at a number of new prospects in the Punt Hill tenement (Figure. 2).

Punxsutawney Phil area – the new data resolved the gravity anomaly into two trends, roughly paralleling the Groundhog gravity high. Further geophysical modeling will be undertaken on these features.

Picketpin – some minor features have been resolved in this area.

Hoary South - the extension to the Hoary infill gravity failed to resolve an extension of the Hoary gravity high.

Woodforde Hill – the anomaly on the regional image is also possibly an artifact and is not substantiated by the new gravity data.

Shore Hill – a small, apparently, NW trending anomaly follows a structural trend that leads directly into Carrapateena. Further geophysical modeling will be undertaken on this feature to assess its prospectivity.

Induced Polarisation Survey Planned

As part of its ongoing exploration program to improve the targeting of high grade IOCG mineralisation, Monax plans to employ downhole and surface IP surveys over the Groundhog and Prairie Dog prospects. Induced polarisation surveys (IP) have the ability to detect disseminated sulphide mineralisation of the type targeted within the Punt Hill tenement.

At least two holes have been drilled into each high priority target at Groundhog and Prairie Dog. The down hole geophysical surveys will allow Monax not only to identify the expected geophysical response of the mineralised target zone but also predict the source of any false anomalies in the overlying cover rocks. If the method succeeds in being able to “see” potential mineralised basement at Punt Hill, then detailed surface (IP) geophysical surveys will be used to test for geophysically anomalous zones indicative of higher grade mineralisation elsewhere on the tenement.

The survey has been rescheduled to commence early in November 2007.

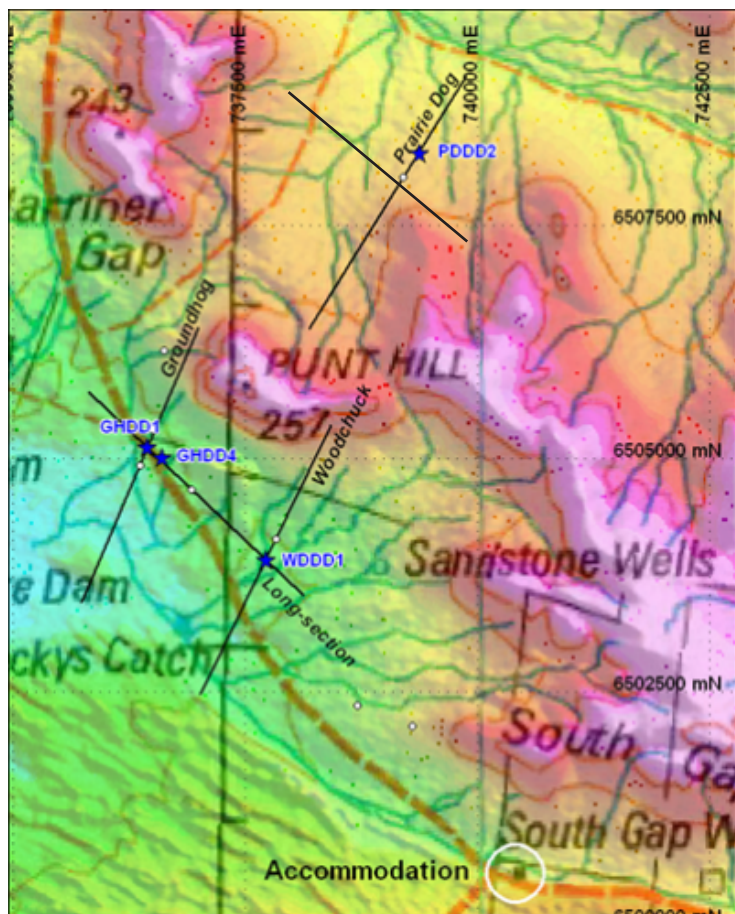


Figure 3. Proposed drillholes for wireline logging and surface survey line locations.

Mt Hope/Brimpton Lake/Moorlands – Exploration Summary

Work has progressed steadily on these ELs and has mainly focused on the Mt Hope tenement because of the potential of the Hall Bay Volcanics to host mineralisation and the lack of previous exploration in this area.

Auger Drilling Program

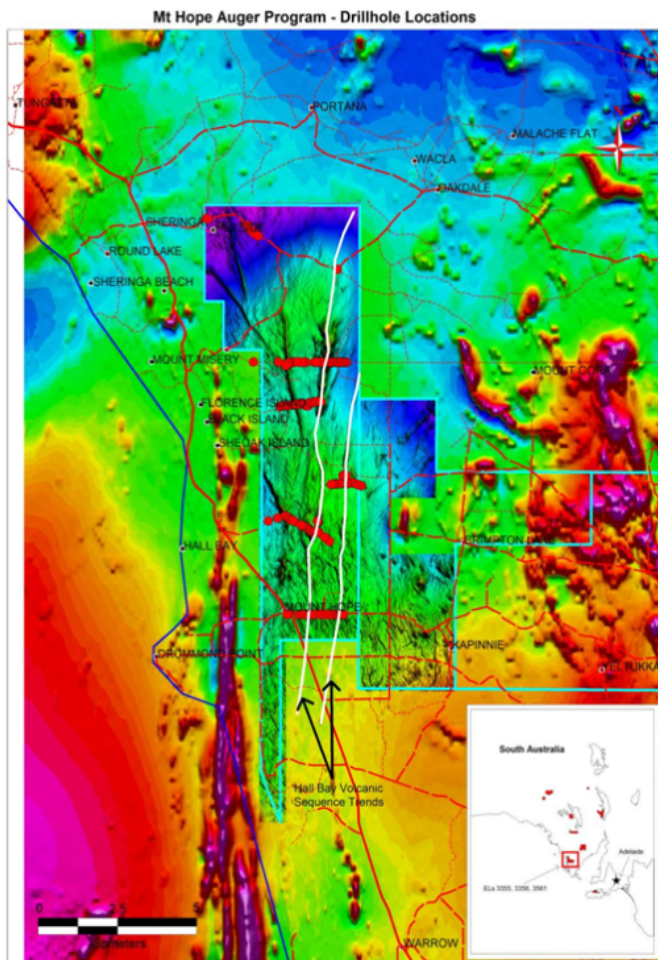


Figure 4. Drill hole locations on aeromagentic

The PACE auger drilling program was completed on the 5th of October. The program targeted combined gravity and magnetic features, which were interpreted to be Archaean volcanic/sediment packages with the potential to host VHMS (Pb/Zn/Cu) and magmatic Ni/Cu deposits.

The drilling program (Figure 4) was designed to obtain detailed geological and geochemical information in closely spaced traverses across the geophysical targets. This will allow subsequent targeting of geochemically anomalous stratigraphy along strike and at depth.

Drilling finished on the 5th of October with 178 holes having been drilled to an average depth of 15.5m (Total = 2770m). Approximately 50-60% of holes have intersected basement at depths of 5-20m.

A complex series of sericite/kaolin, biotite, garnet and iron-rich schists, interpreted to be part of the Hall Bay Volcanic Sequence, were intersected on five of the traverses. This suggests that two strong north-south linear magnetic features on the Mt Hope EL are ~500m wide belts of Archaean Hall Bay Volcanic lithologies extending for 5 to 10 km along strike.

Assay results from the first half of the program have been received. These are predominantly from Traverse 6 and part of Traverse 8. The majority of these holes did not reach basement. Where basement was intersected, encouraging anomalous Ni, Pb and Au values (5-10 x background) were found in limonitic quartz veining cutting sericite/kaolin/quartz schists in MHAG08-013.

The remaining samples, the majority of which intersected basement and some with visually encouraging signs of iron-rich gossanous material, have been submitted to the assay labs and results are expected by the end of November.

Detailed interpretation of the geology is underway, along with planning of the next stage of exploration in the region. This will probably include airborne electromagnetic geophysics to select targets for further drilling, if suitable encouragement is received from the remaining assays.



Michael Schwarz
Managing Director
Monax Mining Limited

For further information please contact Michael Schwarz, Managing Director on 08 83753900 or email: info@monaxmining.com.au

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Monax Mining Limited

ABN

96 110 336 733

Quarter ended ("current quarter")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(572)	(572)
(b) development		
(c) production		
(d) administration	(340)	(340)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	37	37
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
ASX Listing Fees	(18)	(18)
Prepaid insurance etc	(24)	(24)
GST	49	49
Other	(18)	(18)
Net Operating Cash Flows	(886)	(886)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(25)	(25)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(25)	(25)
1.13 Total operating and investing cash flows (carried forward)	(911)	(911)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(911)	(911)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	22	22
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Payments relating to issue of shares / options	(89)	(89)
	Net financing cash flows	(67)	(67)
	Net increase (decrease) in cash held	(978)	(978)
1.20	Cash at beginning of quarter/year to date	3,204	3,204
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,226	2,226

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter SA'000
1.23	Aggregate amount of payments to the parties included in item 1.2	174
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation), legal fees paid to a legal firm in which a director is a partner and company secretarial & associated fees paid to a listed entity in which two directors are directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available SA'000	Amount used SA'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Note:

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	410
4.2	Development	
Total		410

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	114	3142
5.2 Deposits at call	2,109	59
5.3 Bank overdraft		
5.4 Other (provide details) – IPO Trust Account	3	3
Total: cash at end of quarter (item 1.22)	2,226	3204

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	EL3880 EL3908 EL3909 EL3910 EL3911	100% 100% 100% 100% 100%	100% 100% 100% 100% 100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	56,081,124	56,081,124		
7.4 Changes during quarter (a) Increases through issues 3,000 (b) Decreases through returns of capital, buy-backs	100,000 3,000	100,000 3,000	\$0.182 \$1.20	\$0.182 \$1.20
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	9,699,188 5,000,000 2,500,000 2,500,000 750,000 450,000	9,699,188	<i>Exercise price</i> \$1.20 \$1.20 \$0.25 \$0.30 \$0.40 \$0.26 \$0.666	<i>Expiry date</i> 31/12/2007 31/12/2007 30/06/2008 30/06/2009 31/12/2010 12/04/2011 14/02/2012
7.8 Issued during quarter				
7.9 Exercised during quarter 3,000	100,000 3,000		\$0.182 \$1.20	23/08/2011 31/12/2007
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not*~~ (delete one) give a true and fair view of the matters disclosed.

Print name: Dom Cosentino..... Date:26/10/2007.....
(~~Director~~/Company Secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.