



**MONAX
MINING LIMITED**

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ASX RELEASE

Chairman's Address Annual General Meeting – 17 November 2010

Fellow Shareholders

Welcome to our sixth Annual General Meeting as a listed company.

There have been some significant achievements since we met last year. The most significant being the signing of a Farmin agreement with Antofagasta Minerals S.A. for the Company's flagship Punt Hill project 25km south of Carrapateena in South Australia. Monax has spent approx. \$5 million in exploring this project and has successfully attracted Antofagasta as a partner. As a result of the Farmin agreement, Antofagasta can earn a 51% interest in the Punt Hill project by expending US\$4 million over 4 years. This agreement commits Antofagasta to spend no less than US\$1.5 million on the Punt Hill project within the first two years, thus ensuring that ongoing exploration activity will take place at the project.

Once Antofagasta has obtained its 51% interest a Joint Venture "JV" is formed. Monax has the ability to remain at 49% by co-funding exploration or development costs, or can elect to have its interest diluted. Antofagasta can earn a further 19% equity in the project by expending a further US\$5 million on exploration and development of the project tenements. If a development decision is made, Antofagasta will pay Monax a success fee of \$US 10 million.

In order to enhance the Punt Hill project Monax applied for and was granted EL 4548 (formerly ELA 44/10) for a two year period. It is the subject of the aforementioned farmin agreement.

As a result of our partnership with Antofagasta we have achieved the benefit of a major international partner which has major copper projects who will bring that experience and knowhow to our project. Our people will carry out the initial a major regional and detailed gravity survey at its Punt Hill Iron-



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Oxide Copper-Gold project which was recently announced. Our costs will be charged to the project and will form part of the initial expenditure of \$1.5 million. This will be followed by a drilling program in April 2011. Given success in this program Monax will have put itself in a position where it can participate in the development of the project at either the 49% level or the 30% level. As mentioned earlier at the 30% level on a development decision Monax will receive \$10 million to assist funding at that level. I look forward to being faced with that decision as Punt Hill is still the most prospective of our tenements.

Our Waddikee tenement on the Eyre Peninsula in South Australia has been in joint venture now for over a year with OM (Manganese) Limited (OMM) – a wholly owned subsidiary of the ASX-listed diversified minerals and manganese producer, OM Holdings Limited (ASX: OMH). OMM has the right to earn a 60% interest in all ferrous minerals (manganese and iron ore) by funding expenditure to the value of \$2 million over a 4 year period. OMM is required to expend a minimum of \$250,000 in the first year before the right to withdraw. During the farmin period, Monax remains exploration operator according to the program and budget mutually agreed between both parties. Monax retains the right to all non-ferrous minerals within the tenement, giving OMM the first right of refusal. OMM has spent \$476K in the first year with sufficiently encouraging results resulting in a further commitment to spend \$440K on RC drilling, ground magnetic and diamond drilling in the second year. Again Monax will operate the program and charge the costs to the joint venture.

Our third joint venture in South Australia is with Marmota Energy Ltd (MEU) in which we hold 36 million shares or approximately 24% a position to which I will refer shortly. The Melton Project is located on the Yorke Peninsula near the Rex Minerals Ltd Hillside Project.

Under the terms of the Joint Venture Agreement (JV) MEU has the right to earn a 50% interest across all commodities in the Melton tenement by spending a total of \$400,000 over a period of two years.



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We have just completed the first year of the JV and MEU has spent \$400,000 and earned its right to 50% as advised to the market in April this year. Encouraging results have been confirmed by the latest assays showing the presence of copper mineralisation. Drilling will recommence in early 2011 after the summer cropping season is completed. Monax has committed to contributing its 50% to this program.

Modelling of the magnetic and IP data at the Dewrang prospect on Kangaroo Island has delineated a prominent chargeable zone adjacent to a circular magnetic low. The circular magnetic low may be related to an intrusive at depth, which potentially could be a source of metals and fluids. Monax has not undertaken any drilling at Dewrang and previous company drilling has not tested this feature. Monax is currently seeking a joint venture partner for the Kangaroo Island project.

Monax raised \$590K from a placement to fund exploration on the newly acquired bauxite tenements. Since that time, our Managing Director has evaluated the tenements and exploration will commence in the new year at the completion of the current wet season.

Monax is awaiting the Queensland Government decision on the two competitive tenement applications at Percyvale, before committing to exploration expenditure on this project.

The joint venturing of Punt Hill, Waddikee and Melton has been a significant step forward in difficult times. Monax plans to focus on the Pretender Creek Bauxite Project and Percyvale Gold Project and will keenly evaluate the results from its joint ventures to determine its future participation.

Whilst the Board is mindful of the need to focus our efforts on the Company's existing suite of projects, the Company is also continuing to look for opportunities to add shareholder value through the acquisition of projects, or through other forms of investment in projects.

Our Managing Director Gary Ferris will give a presentation of the technical details of our tenement holdings.



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As I said earlier Monax through its 24% shareholding in Marmota Energy Limited continues to be exposed to Marmota's increasingly successful Junction Dam Uranium Project, the Melton IOCG project and its gold projects in joint venture with Ramelius Resources Limited in Nevada USA. We look forward to the successful progression of these projects.

I take this opportunity to thank the small but dedicated staff of Monax and Groundhog Services Pty Ltd (our joint services company with Marmota) and my fellow Directors, who have provided their commitment to the company.

Finally I'd like to thank all of our shareholders for your continuing support. It has been a difficult year for most investors in the stock market and I assure you that the Board and Management of Monax will be doing all we can to improve shareholder value in the coming year.

Robert M Kennedy

CHAIRMAN

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