



MONAX MINING LIMITED

ABN: 96 110 336 733

Exploration Office
Warehouse I, 5 Butler Blvd
Burbridge Business Park
Adelaide Airport SA 5950
Postal Address
PO Box 247 Export Park SA 5950

Tel: +61 8 8375 3900
Fax: +61 8 8375 3999
www.monaxmining.com.au

For Immediate Release
Wednesday, 19 January 2011

ASX RELEASE

Monax Renews Option Deal Over Four Queensland Gold Mining Leases

HIGHLIGHTS

- Monax has renewed the Option Deal over four gold Mining Leases located in the Percyvale region, northern Queensland
- Previous rock chip sampling reported gold up to 608 g/t at Percy West Mining Lease and 197 g/t at Union Mining Lease
- Previous drilling at Union Lease reported intersections up to 5m @ 12.5 g/t gold and 2m @ 24 g/t gold
- Historic grade of mining at Union mine was 1.17 oz/t gold and 1.96 oz/t silver
- Historic grade of mining at Homeward Bound was 6.36 oz/t gold

Monax Mining Limited (ASX:MOX) is pleased to announce it has renewed the Option Agreement over four granted gold Mining Leases in the Percyvale area, northern Queensland, for a further twelve months (Figure 1). The Mining Leases are located within the Etheridge Goldfield, which also contains the Kidston Gold Mine and significant goldfields at Forsyth and Georgetown.

Details of the four leases are listed below:

Lease No.	Name	Expiry Date	Size (hectares)
ML 3366	Union	31 July 2016	23.6
ML 30199	Percy West	30 June 2016	32
ML 30139	Josephine	31 October 2014	6.36
ML 30103	Homeward Bound	30 September 2013	2.63

ML 3366 – Union

ML 3366 is located approximately 10km northwest of Percyvale Homestead (Figure 1) and was historically the largest mine in the region. The Union Lease covers three lines of lode, the Union, Cranky Dick and Walkers, with only the Union reef worked to any significant extent. The Union Mine was developed to a depth of 152m with a historical sample from a stope reporting 96.5 oz/t gold.

The records show total recorded production of 4,173 tonnes of ore producing 4,729oz of bullion gold and 195oz gold, 8216oz silver and 59.7t of copper. Recent exploration by Kidston Gold Mines Ltd comprised costeaning and drilling targeting oxide ore for the gold plant at the Kidston Gold Mine.

The best results from the Kidston costeaning program include:

- 32m @ 4.52 g/t Au (costean UC03)
- 8m @ 2.27 g/t Au (costean UC04)
- 14m @ 2.58 g/t Au (costean UC04)

Based on the promising costean results, Kidston drilled 12 holes for 1152m with the best intersections reported:

- 2m @ 34.4 g/t Au (hole PVRC2 44-46m)
- 2m @ 9.85 g/t Au (hole PVRC3 52-54m)
- 6m @ 4.77 g/t Au (hole PVRC8 6-12m)
- 2m @ 3.4 g/t Au (hole PVRC7 52-54m)

Rock chip sampling by InterMet Resources (InterMet) in 2008 reported some spectacular results including:

- 184 g/t Au, 973 g/t Ag & 22.4% Cu
- 114 g/t Au, 845 g/t Ag & 15.8% Cu
- 167 g/t Au & 1730 g/t Ag
- 88.1 g/t Au, 1970 g/t Ag & 12.3% Cu
- 63.7 g/t Au, 1110 g/t Ag & 28.8% Cu.

InterMet completed 5 holes at the Union Mining Lease with the best result reported being 5m @ 12.5 g/t Au including 1m @ 59.9 g/t Au in hole URC002.

Reconnaissance rock chip sampling of the Cranky Dick lode reported gold up to 28 g/t Au (see Table 1). Monax is plans to test the Cranky Dick and Walkers reefs as well as follow up on rich ore from holes URC002 and URC005, which intersected sulphide rich ore. Monax will also undertake a small program of induced polarisation (IP) to define potential sulphide rich zones within the eastern part of the Lease.

ML 30199 – Percy West

ML 30199 is located approximately 5.5km southwest of Percyvale Homestead (Figure 1). Mineralisation is hosted by quartz veins within a highly altered rhyolite intruded into granodiorite. Previous rock chip sampling reported gold up to 608 g/t. Plate 1 shows gold found on ML 30199.

Within the main mineralised zone, altered rhyolite has been intruded into a regional granodiorite along a northwest trending structural zone. Previous rock chip sampling shows the high-grade nature of mineralisation, with gold values up to 608 g/t reported from old workings.

Monax is planning a drilling program aimed at fully testing the reef as well as testing outcropping reefs on the northern side of the ridge.

ML 30103 – Homeward Bound

The Homeward Bound Lease is located approximately 13km west-southwest of Percyvale Homestead (Figure 1) and covers an area of old workings. The ore at Homeward Bound was very rich and averaged 6.39 oz/t Au in the oxide zone and 4.82 oz/t Au in the upper sulphide zone. The ore was also rich in silver (69.7 oz/t), copper (up to 7%) and lead (up to 5%), within the upper sulphide zone. The workings are scattered over 1km in length. Between 1890 -1903, a total of 159.5 tonnes of ore yielded 1015.68 ozs of gold (grade of 6.36 oz/t).

Sampling of the mullock heap by Monax reported high-grade polymetallic ore with gold grading up to 71 g/t, silver up to 1258 g/t, copper up to 17.08%, lead up to 3.93% and zinc up to 15.52% (Table 1). Monax will undertake an IP survey in April 2011 prior to a planned drilling program.

ML 30139 – Josephine

The Josephine ML is located approximately 9km south-southwest from Percyvale Homestead and covers an outcropping gossan. Previous rock chip sampling reported gold between 0.53 to 10.5 g/t, with samples also reporting anomalous copper (up to 1.2%), lead (up to 0.8%) and silver (59 g/t max).

Reconnaissance sampling by Monax reported gold up to 119.7 g/t, silver up to 830 g/t, copper up to 5.6% and lead up to 11.43% (Table 1). Monax will undertake an IP survey over the main reef which appears to be relatively flat lying prior to drilling.

Forward Exploration Program

Monax anticipates ground activities will commence in the Percyvale area in early April 2011. Initial exploration will comprise an IP survey aimed at defining areas of sulphide-rich ore together with identifying potential resistive features which may represent the quartz reefs. Following this short survey program, it is expected that drilling will immediately commence by mid 2011.

Gary Ferris
Managing Director
Monax Mining Limited

For further information please contact:

Gary Ferris
Managing Director,
Monax Mining
Ph: (08) 8375 3900
Email: info@monaxmining.com.au

Duncan Gordon
Investor Relations
Ph: 0404 006 444

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.

Table 1: Monax rock chip sampling Results – Percyvale Mining Leases

Site	ML	Samp No	Au (ppm)	Au-Rp1	Ag (ppm)	Cu (%)	Pb (%)	Zn (%)
Jos 01	Josephine	95689	1.77		404	5.62	5.98	0.36
Jos 01	Josephine	95690	26.21		232	5.05	0.91	0.07
Jos 01	Josephine	95691	119.73	40.54	390	0.88	0.79	0.05
Jos 01	Josephine	95692	20.9		71	0.59	0.92	0.14
Jos 02	Josephine	95693	0.2		5	0.05	0.09	0.01
Jos 03	Josephine	95694	1.02		830	0.64	11.19	0.03
Jos 03	Josephine	95695	1.23		20	0.14	0.85	0.18
Jos 04	Josephine	95696	0.14		2	0.01	0.03	0.01
Jos 04	Josephine	95698	1.35		134	0.20	11.43	0.03
Jos 05	Josephine	95697	0.22		26	0.15	1.72	0.02
Jos 06	Josephine	95699	0.12		3	0.08	0.04	0.00
Jos 07	Josephine	95700	0.02		X	0.03	0.02	0.01
Jos 08	Josephine	295001	0.23		63	0.29	0.30	0.01
Jos 08	Josephine	295002	0.1		33	0.11	0.57	0.19
Hb 01	Homeward Bound	295016	71.78	64.13	1258	17.08	1.12	6.76
Hb 01	Homeward Bound	295017	71.47	72.44	524	7.70	0.14	0.09
Hb 01	Homeward Bound	295018	12.19	11.74	703	5.33	3.93	15.52
Vic 01	Vicars	295019	0.05		4	0.03	0.03	0.02
Vic 02	Vicars	295020	0.17		12	0.14	0.03	0.09
Vic 03	Vicars	295021	4.19		21	0.24	0.07	0.01
Vic 04	Vicars	295022	1.55		192	0.16	0.71	0.12
Un 01	Union	295023	18.75	18.08	7	0.02	0.01	0.00
Un 02	Union	295024	13.79	13.57	10	0.02	0.04	0.00
Un 03	Union	295025	7.73	7.83	7	0.04	0.02	0.00
Un 04	Union	295026	0.4		9	0.02	0.03	0.01
Un 05	Union	295027	28.41		2	0.01	0.01	0.00



**Plate 1: Gold within quartz from ML 30133 (Percy West)
(sample collected by Leaseholder Allyn Zabel)**

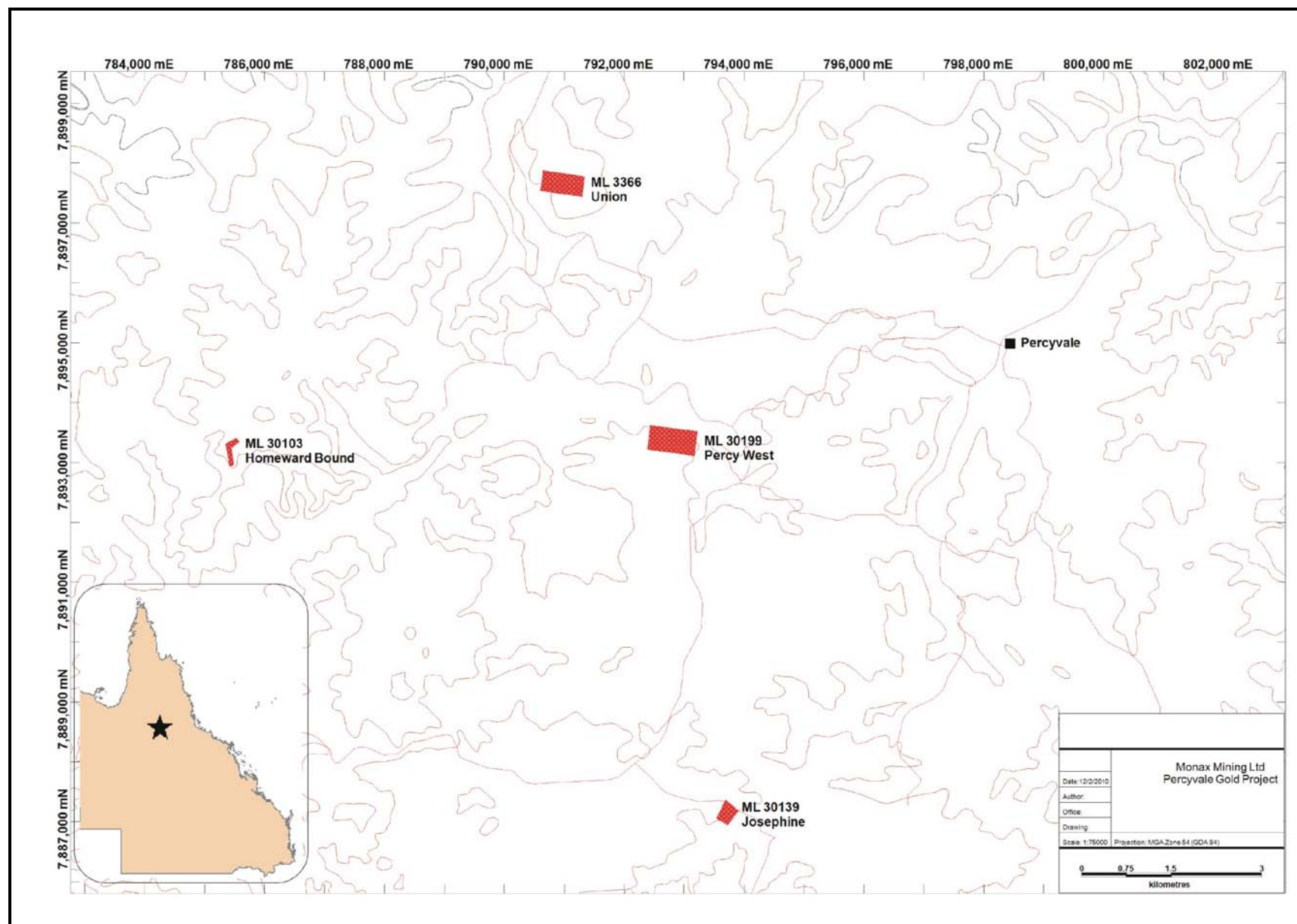


Figure 1: Location of four Mining Leases within Percyvale area, northern Queensland