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ASX RELEASE

Encouraging Manganese and Iron Ore drilling results at Waddikee.

HIGHLIGHTS

- 45 holes completed totalling 2306 metres
- High-grade manganese up to 29% Mn reported from Polinga prospect
- Further encouraging iron ore results

Monax Mining (ASX: MOX) is pleased to announce the results of its recent drilling program targeting manganese and iron ore at its Waddikee Project in South Australia.

The reverse circulation (RC)/rotary air blast (RAB) drilling program was completed in early April and final assay results have now been received. A total of 45 holes were completed for 2306 metres.

Monax's Waddikee Project is located south of the township of Kimba on the central Eyre Peninsula of South Australia (Figure 1). It is the subject of a farm-in agreement with OM (Manganese) Ltd (OMM), a wholly owned subsidiary of OM Holdings Limited (ASX:OMH). OMM is required to fund A\$2 million over four years to acquire a 60% participating interest for manganese (Mn) and iron ore on the project.

Manganese Results

Jamieson Tank

Monax completed a gradient array induced polarisation (GAIP) survey over the Jamieson Tank prospect in early 2012, aimed at defining further possible manganese.

Under the current drilling program, Monax completed 19 holes (JTRC 182-200) for 930m at Jamieson Tank. Figure 2 shows a general location plan for the 2012 drilling program.

Figure 3 shows in detail the location of all drilling to date within the southern part of the Jamieson Tank prospect over the newly acquired GAIP data. Drill hole intersections >14% Mn are outlined in Table 1.

Holes JTRC 182 – 187 were drilled to test a moderate chargeable feature (see Figure 3) which previous drilling to the south had intersected moderate manganese. Two holes on the line of recent holes reported one metre intersections of manganese >14% (JTRC 186 & 187).

Hole JTRC 186 reported 6m @ 12.4% Mn (26-32m) including 1m @ 17.3% Mn (see Table 2 for individual 1m results). Hole JTRC 187 reported 5m @ 14.0% Mn (32-37m – see Table 2 for individual 1m results).

Holes JTRC 188-191 were drilled to target a narrow zone of higher chargeability. No significant manganese was reported from these holes. These holes intersected magnetic banded iron formation.

Figure 4 shows in detail drill hole locations for the northern part of the Jamieson Tank prospect. This area contains the majority of the drilling and the best intersections of manganese at the prospect.

The GAIP survey at Jamieson Tank reported some challenges due to chargeable features both on the eastern and western side of the survey area (see Figure 4), which the Company interprets are due to graphite-rich sediments.

Holes JTRC 192-194 were targeting a NW trending chargeable zone (Figure 4). No significant manganese was intersected but graphite was reported in holes JTRC 192 (30-61m) and JTRC 193 (18-51m) (Note – downhole lengths, true widths unknown).

Holes JTRC 195 – 197 were targeting a zone of higher chargeability located on the western zone and intersected low grade manganese. These holes also reported minor graphite.

Table 1. Drill hole intersections >14% Mn for the 2012 Waddikee drilling program.

Hole	From (m)	To (m)	Sample No	Fe(%)	Mn(%)	P(%)	Interval
JTRC186	26	27	68233	4.53	14.21	0.05	
JTRC186	29	30	68236	3.92	15.87	0.04	
JTRC186	31	32	68238	5.49	17.28	0.08	
JTRC187	33	34	68259	4.60	20.62	0.22	
JTRC198	21	22	68441	13.98	14.11	0.19	2m @ 15.5% Mn
JTRC198	22	23	68442	22.65	16.82	0.17	
PRC024	27	28	68325	7.32	28.67	0.12	
PRC024	30	31	68328	10.54	17.46	0.11	
PRC024	39	40	68337	9.78	21.33	0.28	
PRC025	28	29	68342	22.75	14.07	0.15	3m @ 17.6% Mn
PRC025	29	30	68343	18.02	21.85	0.11	
PRC025	30	31	68344	31.31	16.95	0.34	
PRC025	48	49	68348	8.74	29.16	0.15	
PRC030	50	51	68472	18.67	14.83	0.10	
PRC030	52	53	68474	19.88	20.93	0.10	

All samples are 1m samples; samples collected as grab samples. Widths represent downhole lengths, true width unknown. All holes drilled 60° to the west. Samples analysed by Genalysis using XRF. Intersections reported >1m are calculated by averaging combination of 1m samples.

Holes JTRC 198 – 199 were located on a chargeable feature 550m north of outcropping massive manganese at Cultivator Hill (Figure 4). Hole JTRC 198 reported 2m @ 15.5% Mn (21-23m).

Hole JTRC 200 was drilled to test a chargeable feature on the eastern part of the Jamieson Tank prospect. No manganese was reported, but minor graphite was intersected between 40-51m (Note – downhole length, true width unknown).

Prior to the current drilling program, Monax had completed drilling 157 holes at its Jamieson Tank, which is part of the Waddikee Project, for a total of 8778 metres. The best previous drilling results for the Jamieson Tank prospect include (all previously reported):

- 10m @ 17.5% Mn (JTRC 069 26-36m)
 - 7m @ 18.03% Mn (JTRC 034 14-21m)
 - 7m @ 17.1% Mn (JTRC 121 22-29m)
 - 5m @ 19.2% Mn (JTRC 119 14-19m)
 - 4m @ 23.05% Mn (JTRC 032 4-8m)
 - 3m @ 27.7% Mn (JTRC 036 10-13m)
 - 12m @ 15.3% Mn (JTRC032 4-16m)
- (holes drilled 60°; downhole lengths only, true widths unknown)

Polinga

New information from the GAIP at Polinga survey has lead Monax to re-examine previous drilling strategies.

Fifteen holes (PRC 018 – PRC 032) were completed at Polinga in April 2012 (Figure 5). Holes PRC 018 – 022 were drilled to target a significant chargeable feature. Minor manganese was intersected. Holes PRC 018 to PRC 020 all reported thick intersections of graphite schist. Samples from these holes have been submitted for carbon analyses.

Drill holes PRC 023 – PRC 032 were drilled to test a moderate chargeable feature outlined by the GAIP survey (Figure 5). Holes PRC 024 and PRC 025 on the northern line reported manganese >14% (see Table 1). Hole PRC 024 reported 5m @ 15.0% Mn (26-31m) including 1m @ 28.7% Mn (27-28m – see Table 2 for individual 1m results).

Hole PRC 025 reported 3m @ 17.6% Mn (28-31m) including 1m @ 21.8% Mn (29-30m), and 1m @ 29.16% Mn (48-49m – see Table 1). Hole PRC 030 on the southern line reported 4m @ 14.89% Mn (49-53m) including 1m @ 20.9% Mn (52-53m – see Table 2 for individual 1m results).

Prior to the recent drilling program, Monax had drilled 17 holes at its Polinga prospect, also part of the Waddikee Project, for a total of 984 metres. The best manganese results include:

- 4m @ 18.9% Mn (PRC003 32-36m)
 - 4m @ 14.2% Mn (PRC010 50-54m)
- (holes drilled 60°; downhole lengths only, true widths unknown; results previously reported)

Hodgins

Six holes totalling 301 metres were drilled at the Hodgins prospect in 2011 to follow up high grade surface samples grading up to 37% Mn. A further eleven holes for 490m were completed at the Hodgins prospect. No manganese was intersected with minor graphite reported in several holes.

Iron Ore Results

The drilling program also returned encouraging iron ore results from the Jamieson Tank and Polinga prospects. At the Jamieson Tank prospect, the best results include (see Table 3 for full results):

- 28m @ 24.3% Fe (JTRC 191 21-49m)
- 14m @ 27.1% Fe (JTRC 188 14-28m)
- 12m @ 23.7% Fe (JTRC 190 23-35m).

The best results from the Polinga prospect include:

- 26m @ 41.5% Fe (PRC 028 4-30m)
- 28m @ 25% Fe (PRC 027 37-65m)
- 21m @ 29.4% Fe (PRC 026 25-46m).

(Note: Intersections calculated by averaging combination of 1m samples; 2m and 4m composites; Intersections represent downhole lengths, true widths unknown).

General

In summary, the drilling program has provided further encouraging manganese and iron ore results and additional evidence supporting the previously announced graphite potential of the Waddikee Project.

The GAIP survey encountered zones of high chargeability on both the west and east margins of the main manganese corridor. The eastern zone of high chargeability appears to be related to the Sugarloaf Hill zone of high chargeability, which is most likely due to the presence of graphite. Drill holes within the zones of high chargeability on the eastern side of Jamieson Tank reported graphite.

The GAIP survey provided some encouragement at the Polinga prospect with drilling on the southern area which contained a zone of moderate chargeability reporting manganese (Figure 5). Consistent with the GAIP survey, drilling on the northern highly chargeable feature reported graphite.

The GAIP survey data will be useful in the search for graphite on the tenement and together with the existing Monax airborne electromagnetic data will be a major tool used in planning the upcoming graphite drilling program.

“Monax is currently assessing all drilling data and will meet with its farm-in partner OMM in the coming months to discuss the next phase of manganese exploration” Monax Managing Director Mr Gary Ferris said.

We are encouraged by the drilling results and believe that the GAIP survey will assist with future exploration for both manganese and graphite on our Waddikee tenement” he said.

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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 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.

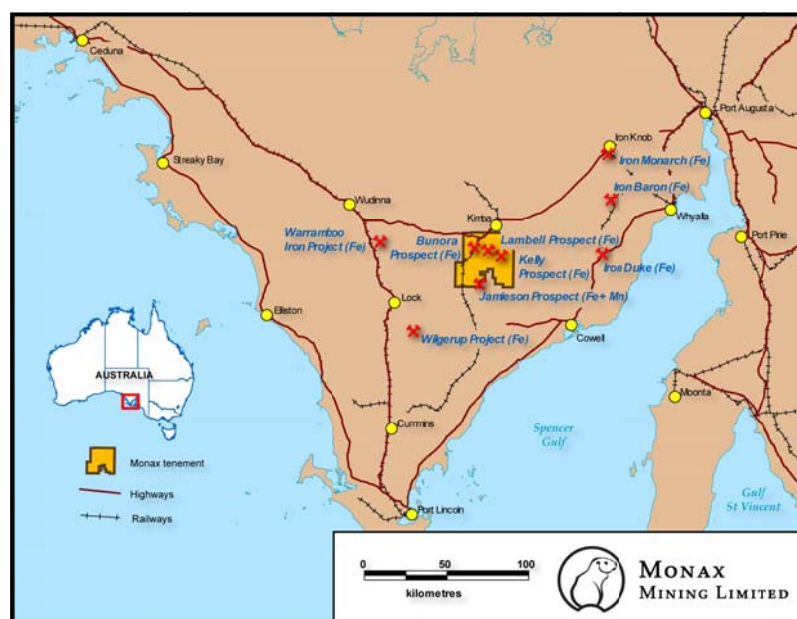


Figure 1. Location of the Waddikee Project, central Eyre Peninsula.

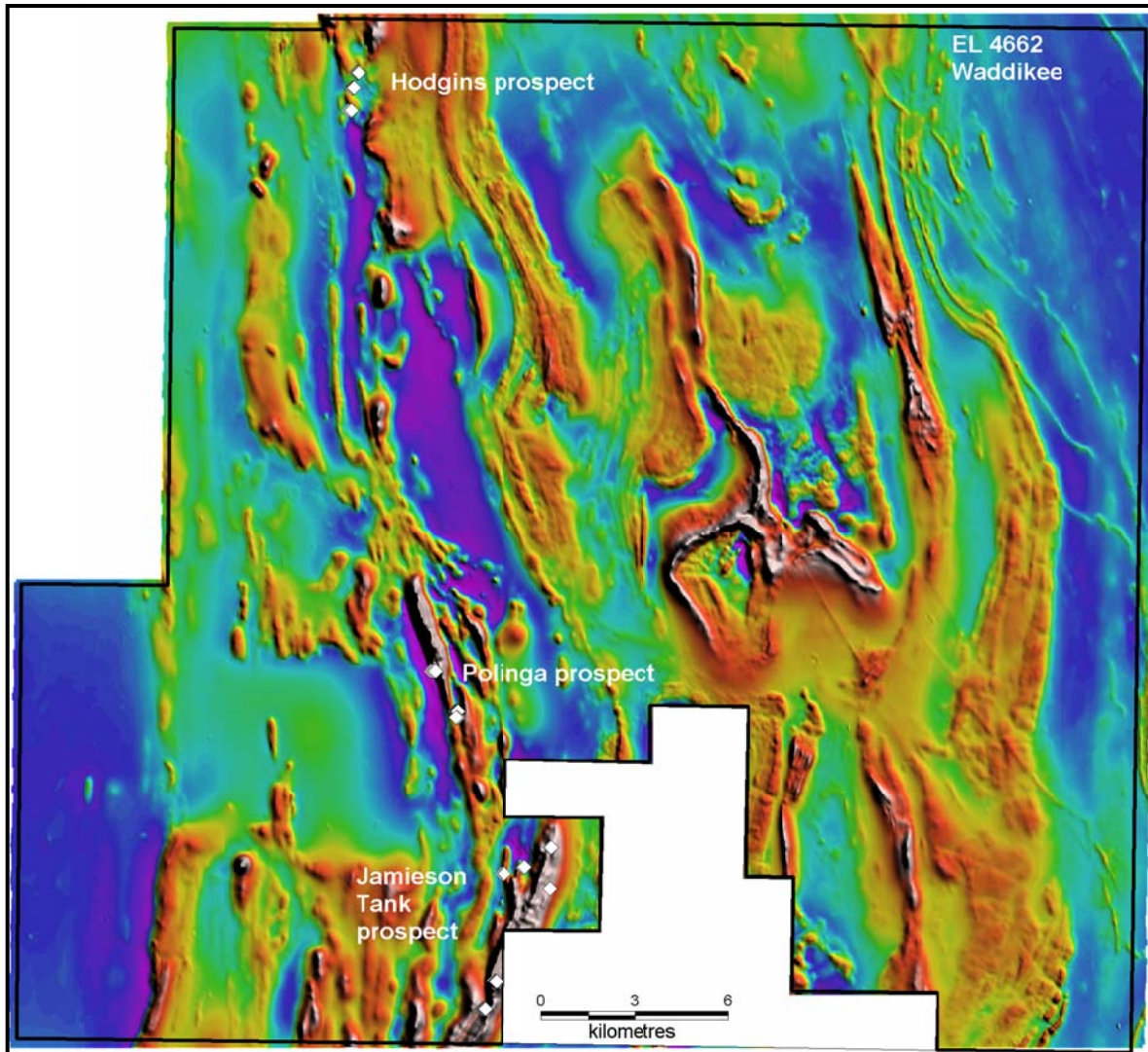


Figure 2. Location of 2012 drill holes (white dots) on background of total magnetic intensity image.

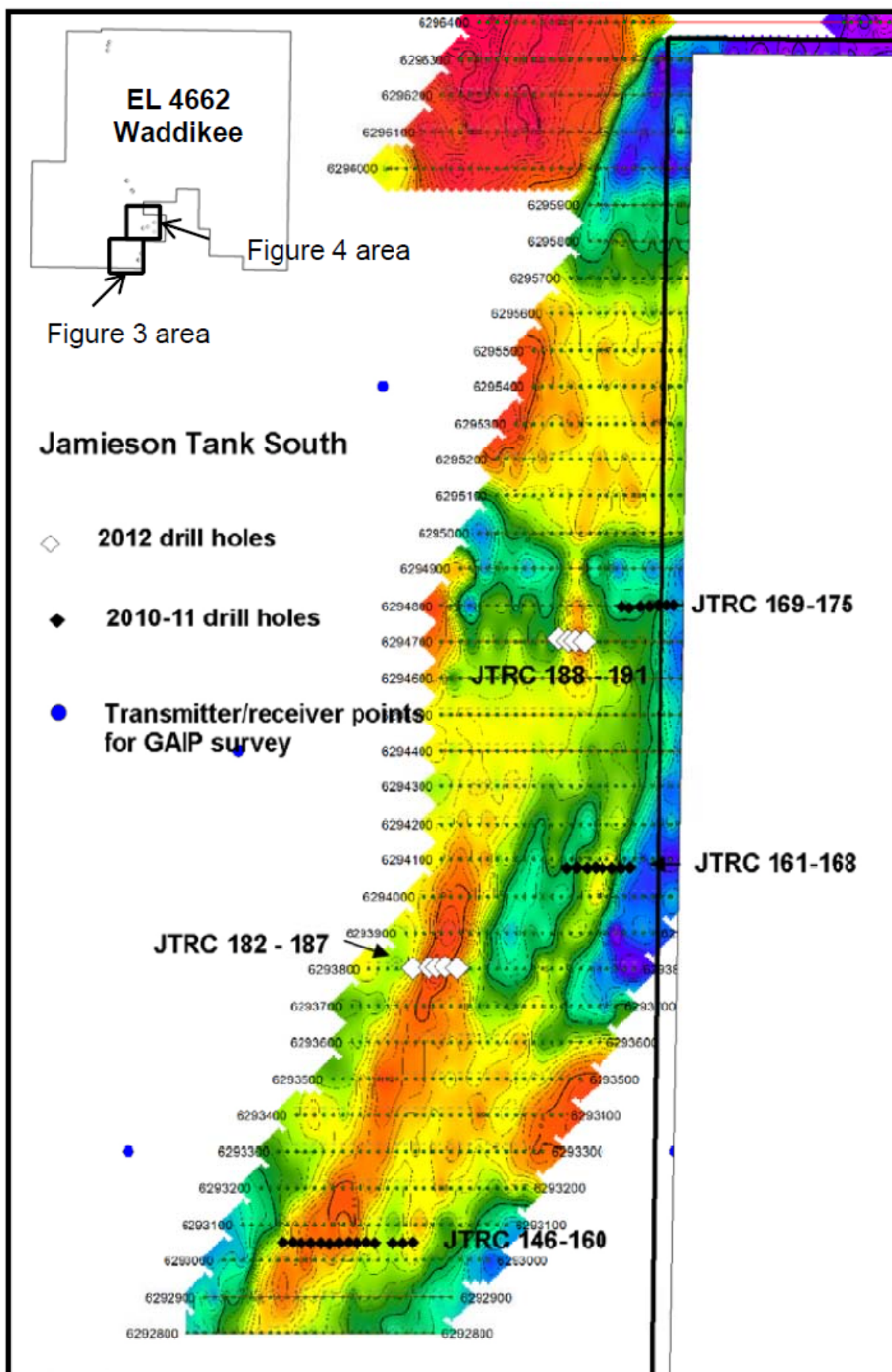


Figure 3. Jamieson Tank south area. Drill hole location on GAIP chargeability data. (Red represents zones of high chargeability; purple-blue represent zones of low chargeability)

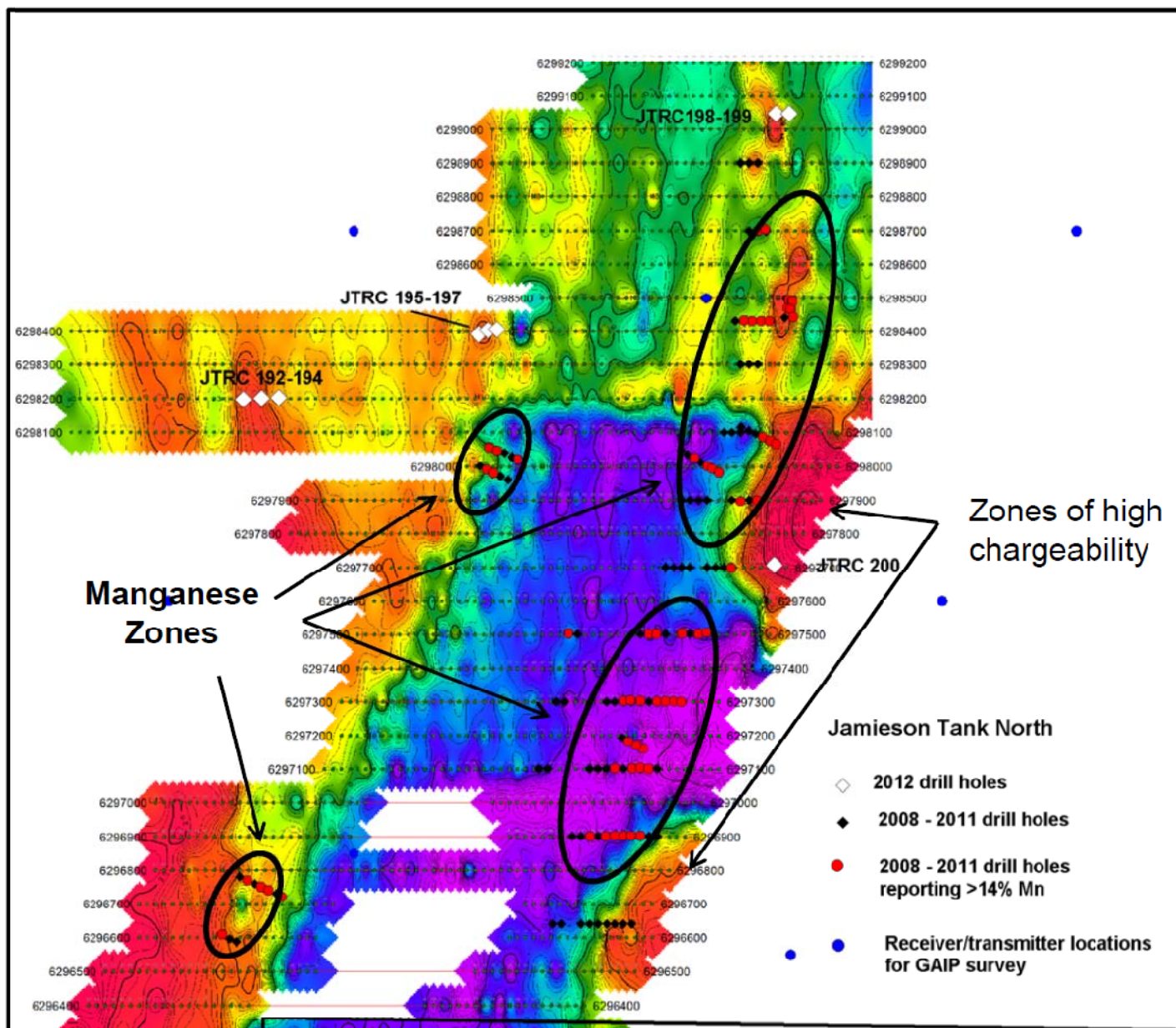


Figure 4. Jamieson Tank north area. Drill holes located on GAIP Chargeability data.

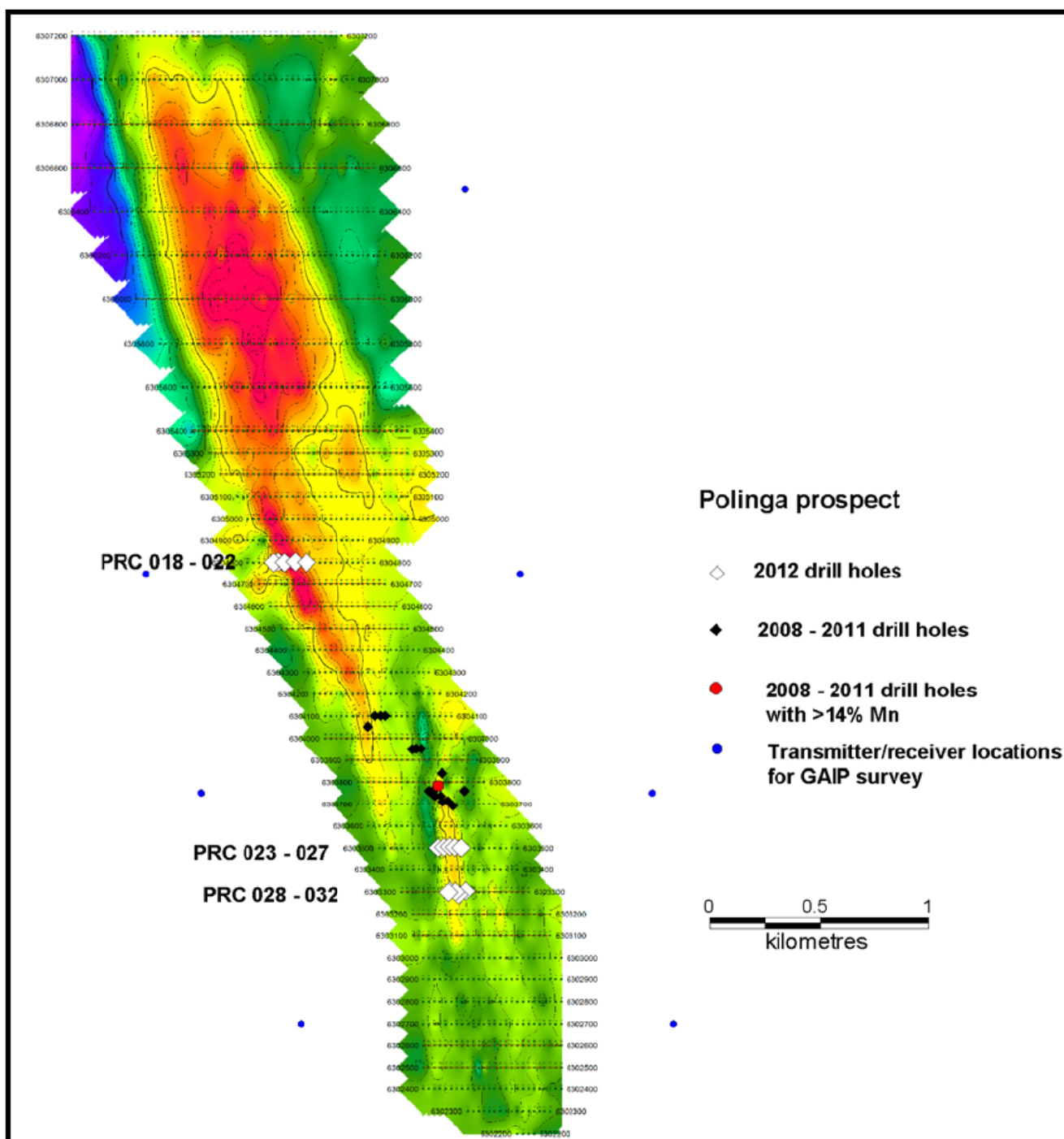


Figure 5. GAIP chargeability data and drill hole location for Polinga prospect.

Table 2. Sample intervals and results for intersections reported in text which include 1m samples reporting <14% Mn (6% Mn cut-off used)

Hole	From(m)	To(m)	Interval	Sample No	Fe%	Mn%	P%	Interval
JTRC186	26	27	1	68233	4.53	14.21	0.05	6m @ 12.4% Mn
JTRC186	27	28	1	68234	5.05	10.51	0.04	
JTRC186	28	29	1	68235	4.41	9.53	0.03	
JTRC186	29	30	1	68236	3.92	15.87	0.04	
JTRC186	30	31	1	68237	8.25	6.82	0.02	
JTRC186	31	32	1	68238	5.49	17.28	0.08	
JTRC186	32	33	1	68239	3.13	9.42	0.07	
JTRC187	32	33	1	68258	8.12	13.35	0.26	5m @ 14.0% Mn
JTRC187	33	34	1	68259	4.60	20.62	0.22	
JTRC187	34	35	1	68260	8.11	13.56	0.24	
JTRC187	35	36	1	68261	7.51	11.83	0.22	
JTRC187	36	37	1	68262	11.97	10.67	0.22	
PRC024	26	27	1	68324	31.31	10.07	0.18	5m @ 15.0% Mn
PRC024	27	28	1	68325	7.32	28.67	0.12	
PRC024	28	29	1	68326	15.93	9.71	0.21	
PRC024	29	30	1	68327	15.91	9.13	0.16	
PRC024	30	31	1	68328	10.54	17.46	0.11	
PRC030	49	50	1	68471	9.75	11.35	0.07	4m @ 14.89% Mn
PRC030	50	51	1	68472	18.67	14.83	0.10	
PRC030	51	52	1	68473	17.23	12.45	0.05	
PRC030	52	53	1	68474	19.88	20.93	0.10	

All holes drilled 60° to the west. Drilling combination of reverse circulation and rotary air blast. Drill hole samples collected every one metre and geochemical samples comprised grab samples. Intersections calculated by averaging combination of 1m samples. Samples analysed by Genalysis using XRF. Downhole lengths only, true widths unknown.

Table 3. Sample intervals and results for iron intersections reported in text which include combination of 1m, 2m and 4m composite samples (20% Fe cut-off used)

Hole	From(m)	To(m)	Interval	Sample No	Fe%	Mn%	P%	Interval
JTRC188	14	16	2	68280	32.61	0.45	0.33	14m @ 27.1% Fe
JTRC188	16	18	2	68281	26.47	0.77	0.33	
JTRC188	18	20	2	68282	24.81	1.49	0.19	
JTRC188	20	22	2	68283	27.61	1.93	0.31	
JTRC188	22	24	2	68284	23.14	2.91	0.41	
JTRC188	24	26	2	68285	26.30	1.84	0.42	
JTRC188	26	28	2	68286	28.90	1.34	0.47	
JTRC190	23	27	4	68290	25.85	0.21	0.56	12m @ 23.7% Fe
JTRC190	27	31	4	68291	25.00	0.23	0.54	
JTRC190	31	35	4	68292	20.28	0.38	0.57	
JTRC191	21	25	4	68294	27.27	0.25	0.66	28m @ 24.3% Fe
JTRC191	25	29	4	68295	25.79	0.52	0.63	
JTRC191	29	33	4	68296	26.79	0.77	0.64	
JTRC191	33	37	4	68297	23.46	0.41	0.59	
JTRC191	37	41	4	68298	20.28	0.61	0.49	
JTRC191	41	45	4	68299	22.59	0.15	0.68	
JTRC191	45	49	4	68300	23.98	0.13	0.57	

Hole	From(m)	To(m)	Interval	Sample No	Fe%	Mn%	P%	Interval
PRC026	25	26	1	68364	25.79	6.23	0.17	21m @ 29.4% Fe
PRC026	26	27	1	68365	27.65	4.87	0.23	
PRC026	27	28	1	68366	31.51	6.27	0.14	
PRC026	28	29	1	68367	31.40	3.22	0.19	
PRC026	29	30	1	68368	31.15	1.68	0.21	
PRC026	30	32	2	68369	28.49	2.37	0.18	
PRC026	32	34	2	68370	26.46	5.99	0.20	
PRC026	34	36	2	68371	21.21	4.41	0.17	
PRC026	36	38	2	68372	24.27	4.43	0.24	
PRC026	38	40	2	68373	26.32	5.94	0.19	
PRC026	40	42	2	68374	29.93	2.53	0.31	
PRC026	42	44	2	68375	33.46	3.08	0.33	
PRC026	44	46	2	68376	44.98	0.46	0.38	
PRC027	37	39	2	68385	27.70	2.32	0.19	28m @ 25% Fe
PRC027	39	41	2	68386	26.61	3.26	0.16	
PRC027	41	43	2	68387	24.99	3.02	0.14	
PRC027	43	45	2	68388	24.80	4.68	0.13	
PRC027	45	47	2	68389	26.21	6.67	0.16	
PRC027	47	49	2	68390	21.91	3.94	0.17	
PRC027	49	51	2	68391	23.10	2.77	0.16	
PRC027	51	53	2	68392	21.56	1.66	0.20	
PRC027	53	55	2	68393	24.77	3.75	0.20	
PRC027	55	57	2	68394	24.71	0.46	0.21	
PRC027	57	59	2	68395	24.21	1.81	0.20	
PRC027	59	61	2	68396	34.39	0.5	0.35	
PRC027	61	63	2	68397	23.99	1.51	0.15	
PRC027	63	65	2	68398	20.86	1.65	0.12	
PRC028	4	8	4	68443	37.84	0.06	0.03	26m @ 41.5% Fe
PRC028	8	12	4	68444	41.80	0.06	0.02	
PRC028	12	16	4	68445	38.91	0.03	0.03	
PRC028	16	20	4	68446	46.45	0.03	0.03	
PRC028	20	24	4	68447	47.31	0.04	0.03	
PRC028	24	28	4	68448	44.71	0.05	0.04	
PRC028	28	30	2	68449	33.69	0.14	0.08	

All holes drilled 60° to the west. Drilling combination of reverse circulation and rotary air blast. Drill hole samples collected every one metre and geochemical samples comprised grab samples. Intersections calculated by averaging combination of 1m, 2m and 4m samples. Samples analysed by Genalysis using XRF. Downhole lengths only, true widths unknown.

2012 Drill hole details

Hole ID	Prospect	Easting	Northing	EOH (m)
JTRC182	Jamieson Tank	621778	6293802	45
JTRC183	Jamieson Tank	621795	62193804	42
JTRC184	Jamieson Tank	621822	6293805	51
JTRC185	Jamieson Tank	621844	6293804	51
JTRC186	Jamieson Tank	621868	6293806	49
JTRC187	Jamieson Tank	621900	6293803	60
JTRC188	Jamieson Tank	622178	6294708	31
JTRC189	Jamieson Tank	622203	6294703	39
JTRC190	Jamieson Tank	622222	6294703	49
JTRC191	Jamieson Tank	622246	6294700	49
JTRC192	Jamieson Tank	622420	6298198	61
JTRC193	Jamieson Tank	622475	6298200	51
JTRC194	Jamieson Tank	622526	6298202	51
JTRC195	Jamieson Tank	623120	6298392	51
JTRC196	Jamieson Tank	623147	6298403	51
JTRC197	Jamieson Tank	623173	6298405	51
JTRC198	Jamieson Tank	624004	6299048	51
JTRC199	Jamieson Tank	624043	6299048	46
JTRC200	Jamieson Tank	624000	6297707	51
PRC018	Polinga	620196	6304803	60
PRC019	Polinga	620176	6304800	66
PRC020	Polinga	620224	6304800	48
PRC021	Polinga	620272	6304803	49
PRC022	Polinga	620323	6304802	40
PRC023	Polinga	620928	6303501	60
PRC024	Polinga	620952	6303504	51
PRC025	Polinga	620978	6303505	67
PRC026	Polinga	621001	6303503	70
PRC027	Polinga	621029	6303501	66
PRC028	Polinga	620977	6303301	32
PRC029	Polinga	621050	6303303	72
PRC030	Polinga	621018	6303286	58
PRC031	Polinga	621005	6303300	81
PRC032	Polinga	620974	6303296	66
HRC007	Hodgins	617645	6323751	52
HRC008	Hodgins	617668	6323742	51
HRC009	Hodgins	617707	6323750	51
HRC010	Hodgins	617724	6323750	51

Hole ID	Prospect	Easting	Northing	EOH (m)
HRC011	Hodgins	617552	6323023	46
HRC012	Hodgins	617599	6323027	60
HRC013	Hodgins	617651	6323027	27
HRC014	Hodgins	617804	6324252	42
HRC015	Hodgins	617828	6324251	50
HRC016	Hodgins	617850	6324247	30
HRC017	Hodgins	617875	6324250	30

All holes drilled 60° to the west. Drilling combination of reverse circulation and rotary air blast. Drill hole samples collected every one metre and geochemical samples comprised grab samples. Datum MGA 94 Zone 53.