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ASX RELEASE

Further high-grade graphite results reported at Monax's Waddikee Project in South Australia

HIGHLIGHTS

- **Further encouraging graphite samples from the Waddikee Project of up to 19.84% carbon.**
- **Additional area identified as prospective for graphite with sample reporting 13.94% carbon.**

Monax Mining Limited (ASX: MOX) ('Monax' or 'Company') today announced a further area of its Waddikee Project in South Australia has been identified as prospective for graphite. This follows geochemical assay results of historical rock chip sample on the Waddikee Project, which reported carbon up to 19.84%.

Earlier this month, Monax announced that geochemical assay results confirmed its Argent prospect as a "high priority" graphite target, with rock chip samples reporting between 10.24% to 16.04% carbon (see ASX Release 3 May 2012).

Between 2006 and 2008, Monax undertook several surface sampling programs on its Waddikee Project in the search for manganese, iron and base metals.

Recently, the Company resubmitted additional selected laboratory pulp samples to determine the carbon content.

Assay results are presented in the Table below.

Location/Sample No	Easting	Northing	Carbon (%)
ARG 1	631186	6298332	1.38
ARG 2	631193	6298229	**16.0**
ARG 3	631221	6298382	**15.21**
ARG 4	631143	6298247	**19.84**
ARG 5	631957	6299251	**13.21**
5001	620652	6320547	**13.94**
5002	620649	6320565	7.87
5045	634862	6314201	7.12

Geochemical analysis undertaken by Genalysis using CSA method. Datum MGA 94 Zone 53

Samples ARG 1 to ARG 5 are from the Argent prospect and petrological examination (Plates 1-3) confirmed the very coarse nature of the graphite.

Samples 5001 and 5002 are located north of Monax's Lacroma Target along a prominent zone of high conductivity within the regional airborne electromagnetic data (AEM) (see Figure 2).

These samples reported 13.94% carbon and 7.87% carbon respectively.

Two historical drill holes at Lacroma (CP 347 and CP 497), located within the vicinity of samples 5001 and 5002, reported graphitic quartz mica schist between 12m to 34m (EOH), and kaolinitic clay and graphitic gneiss between 4m to 10m and 20m to 28m (EOH) respectively. (Note these holes were drilled vertical, true widths unknown – see Table 1 for drill hole details).

Figure 3 shows the location of samples 5001 and 5002 projected onto the sections of the AEM data. This area is a zone of high conductivity which is interpreted as being due to the presence of graphite-rich rocks.

Monax will undertake further reconnaissance sampling in this area prior to a planned drilling program later this year.

Sample 5045 is located half way between the Wilclo and Cut Snake Targets, along a prominent zone of high conductivity within the regional AEM data (see Figure 2). This sample was originally collected for iron with subsequent analysis reporting 7.12% carbon. This sample is located close to historical drill holes which reported graphite in the drill hole logs.

"Monax is currently reviewing all available data and will commence planning for its maiden drilling program targeting graphite," Monax Mining Managing Director, Mr Gary Ferris, said today.

"Further field reconnaissance will be undertaken prior to the drilling program to determine access for drilling and additional sampling of areas of known surface graphite" he said.

Mr Ferris also said the Company recently received carbon results from re-assay of samples from its manganese drill holes for graphite at the Jamieson Tank and Polinga prospects.

A total of 136 samples were submitted for analysis and results ranged up to 3.45% carbon. This analysis was undertaken to ascertain that the Company had not overlooked graphite potential in its previous manganese exploration.

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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.

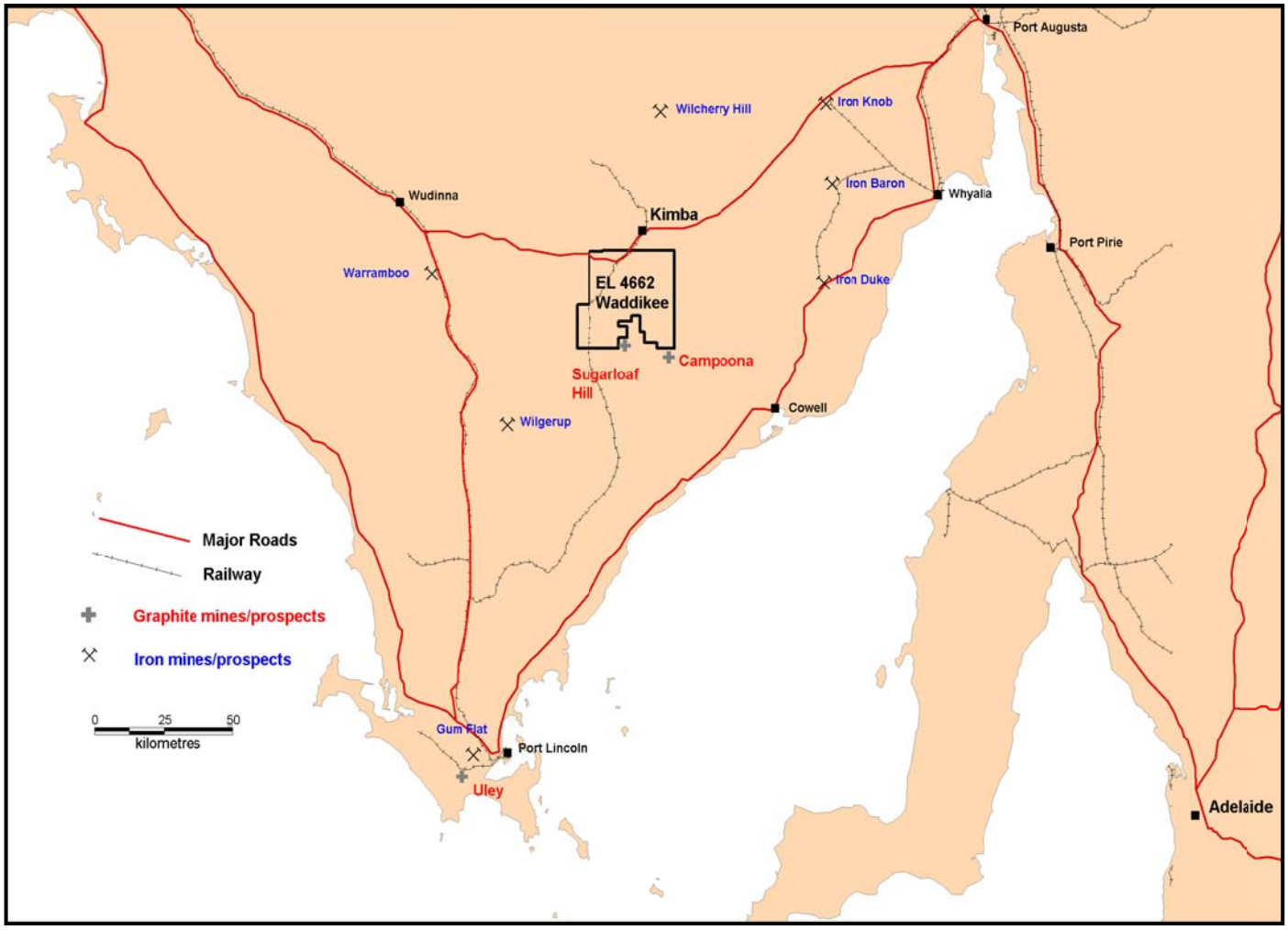

Figure 1. Location of the Waddikee project, central Eyre Peninsula, highlighting other graphite and iron projects within the region.

Table 1: Drill hole details for historical drill holes discussed in text.

Drill Hole	Easting	Northing	End of Hole
CP 347	619500	6321950	34m
CP 497	619700	6320840	28m

Note: Holes drilled vertical; true widths unknown. Datum MGDA 94 Zone 53.

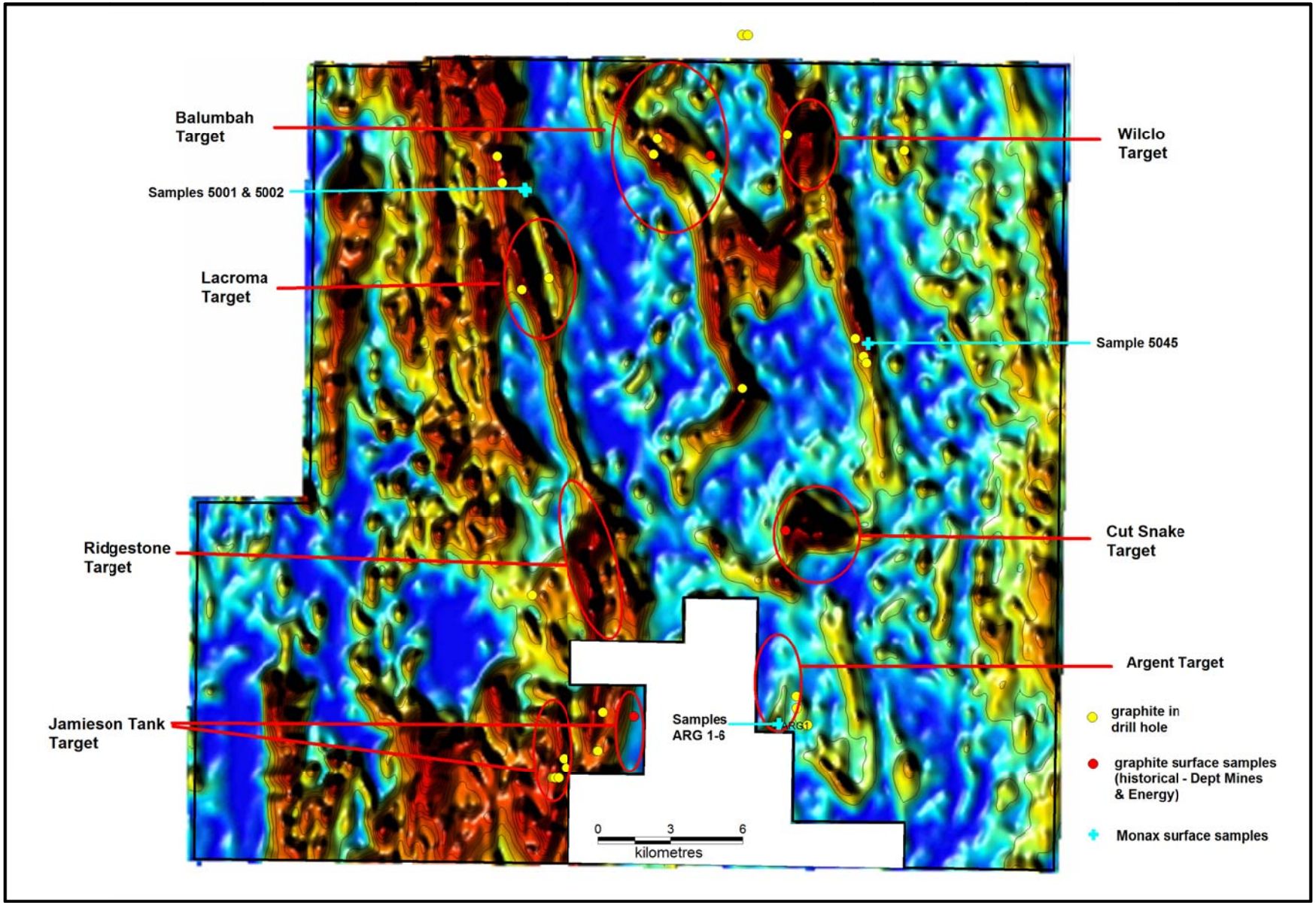

Figure 2. Location of Monax surface samples on Waddikee Project (blue crosses). Yellow dots are historical drill holes which report graphite and red dots are surface samples collected by SA Department of Mines and Energy.

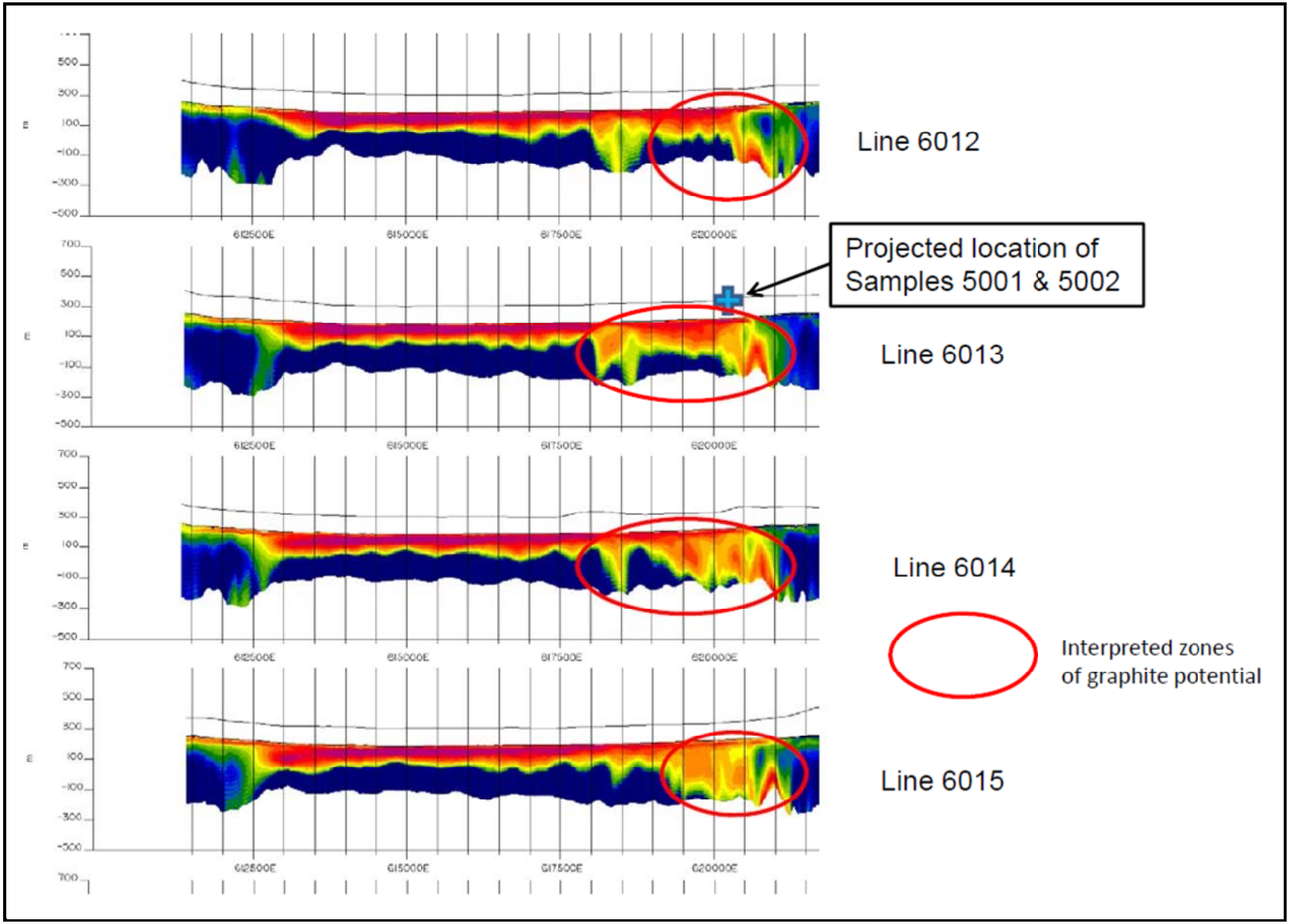

Figure 3. Image showing projected location of samples 5001 & 5002 on AEM sections. Red areas are zones of high conductivity which are interpreted to represent potential zones of graphite.

Plate 1. Sample ARG 2. Foliated graphite, from 0.2mm to 1.5mm in crystal size, is common (~15%), with some kinked flakes and recrystallised areas with smaller graphite flakes (< 0.2mm long). Assay = 16.0% carbon. Scale bar = 200 microns.

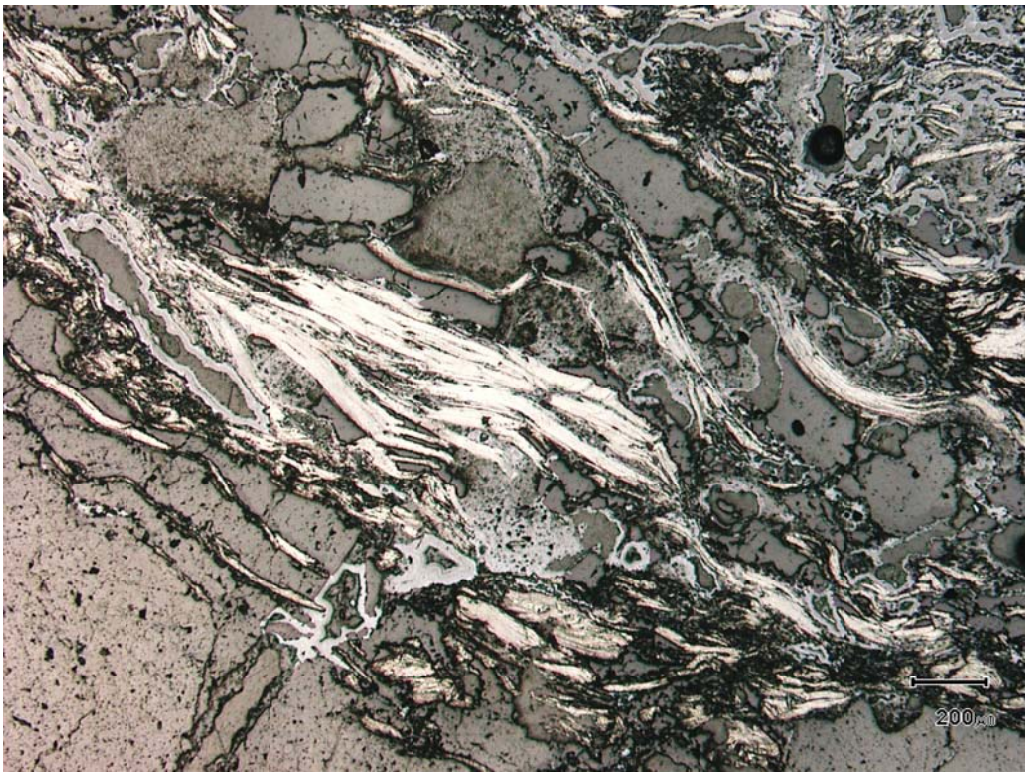

Plate 2. Sample ARG 3. Graphite is less abundant compared to ARG 2, (5-7%) with some kinking and shredding. Some areas have poorly oriented graphite flakes less than 0.4mm in grainsize, but other areas have more foliated graphite that is locally more than 1mm in crystal size. Assay = 15.21%. Scale bar = 200 microns.

Plate 3. Sample ARG 5. There is more abundant and mostly recrystallised but foliated graphite in this sample than in the other two ARG samples, to 1.5 or 2mm in crystal size, with some kinked flakes, and small areas with bent or contorted flakes. Assay = 13.21% carbon. Scale bar = 200 microns.