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ASX RELEASE

High-grade coarse flake graphite confirmed at Monax's Waddikee Project in South Australia

HIGHLIGHTS

- **High-grade, coarse flake graphite at Wilclo South prospect confirmed by petrology.**
- **New assay data for surface sample from Wilclo South reported 22.9% total graphitic carbon (TGC).**
- **Petrology shows all samples from Wilclo South contain coarse flake graphite.**
- **Monax planning further testing to define graphite size range and grade prior to further drilling.**

Monax Mining Limited (ASX: MOX) ('Monax' or 'Company') today announced laboratory assay and petrology results from samples from the Wilclo South prospect at its Waddikee Project have confirmed both the high-grade and coarse flake size of graphite at the site.

Monax completed a forty hole regional drilling program in early August (see ASX Release 29 August for details). Based on those strong results, the Company submitted a sample from an outcrop for geochemical analysis and petrology, and a further four samples from the drill holes for petrology.

A summary of the results are presented below.

Sample	*Estimated vol% contained graphite (from petrology)*	*Range of Flake length mm*	*Mean length mm*	*Total Graphitic Carbon (TGC) (Lab assay)*
WS1	~20	0.1 to 2.0	1.3	22.9%
WG031, 51m	10-15	0.1 to 1.5	0.5	13.4%
WG031, 66m	30-35	0.1 to 1.5	1.0	29.9%
WG032, 69m	12-15	0.1 to 0.8	0.5	12%
WG032, 102m	30	0.1 to 1.5	0.5	24.9%

Petrology was undertaken by Pontifex and Associates. Geochemical analyses undertaken by Amdel - Bureau Veritas Australia, using GRAV4D method.

The Wilclo South prospect is part of Monax's Waddikee project, which is located on the northern Eyre Peninsula (Figure 1).

Two holes from this prospect reported intersections of high-grade graphite. The best intersections from each hole are:

- 15m @ 16.3% TGC (WG032 90-105m)
- 9m @ 14.8% TGC (WG031 59-68m). (Note these lengths are downhole lengths, true width unknown).

The outcrop sample sent for geochemical analysis and petrology reported 22.9% TGC and the petrology showed that the sample contained very coarse graphite flakes up to a maximum of 2mm and a mean length of 1.3mm.

Coarse flake graphite is anything greater than 0.177mm or 177 microns. Plate 1 shows a hand specimen from the outcrop at Wilclo South and Plates 2 and 3 show photomicrographs of coarse flake graphite from the outcrop sampled.

Plate 4 shows a photomicrograph of coarse flake graphite from hole WG031 (51-52m). This interval assayed 13.4% TGC and petrology shows the graphite is coarse with a mean size of 0.5mm. Plate 5 shows coarse flake graphite from hole WG031 (66-67m) which assayed 29.9% TGC. The graphite in this sample is up to 1.5mm in length with a mean flake length of 1mm.

Plate 6 shows a photomicrograph of a sample from hole WG032 (102-103m) which assayed 24.9% TGC. The graphite is coarse up to 1.5mm with a mean flake size of 0.5mm.

Monax is excited by the high-grade assay and the confirmation from petrology that the graphite visible in hand specimen and drill chips is dominantly coarse with a mean flake size of greater than or equal to 0.5mm.

The Company is currently finalising details for further testing to determine the flake size distribution, recovery and grades prior to undertaking a follow-up drilling program.

Monax believes the Wilclo South area has shown that it has the grade and the flake size to be a significant graphite prospect.

Recently completed drilling programs at the Lacroma and Balumbah prospects – also part of Monax's Waddikee Project – emphasised that both also warrant further exploration.

Monax is planning more exploration at Waddikee's Argent prospect – where the Company has already confirmed high-grade, coarse flake graphite at the surface.

This area was not drilled during the recent program and will be tested at the end of the current cropping season, expected to be in December.

The next phase of testing will take between 4-6 weeks to complete.

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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.

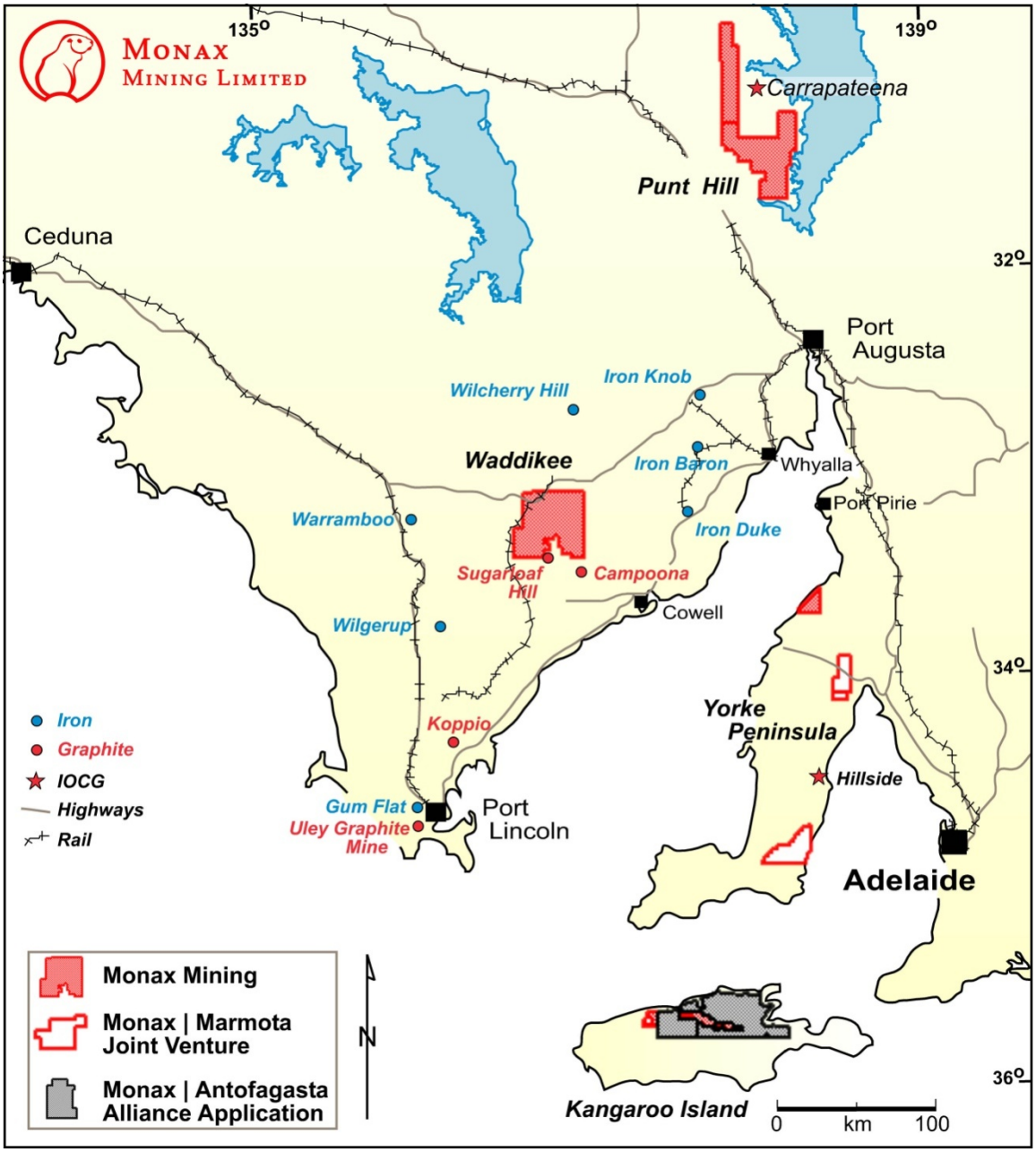

Figure 1. Location of the Waddikee project, central Eyre Peninsula, highlighting other graphite and iron projects within the region.

Plate 1. Graphite rich gneiss from Wilclo South. Shiny minerals are coarse flake graphite.

Plate 2. Coarse flake graphite from surface sample from Wilclo South. (Note scale bar 200 micron = 0.2mm). Graphite is intergrown with quartz, limonite and carbonate.

Plate 3. Detailed view of coarse flake graphite from surface sample from Wilclo South. (Note scale bar 200 micron = 0.2mm).

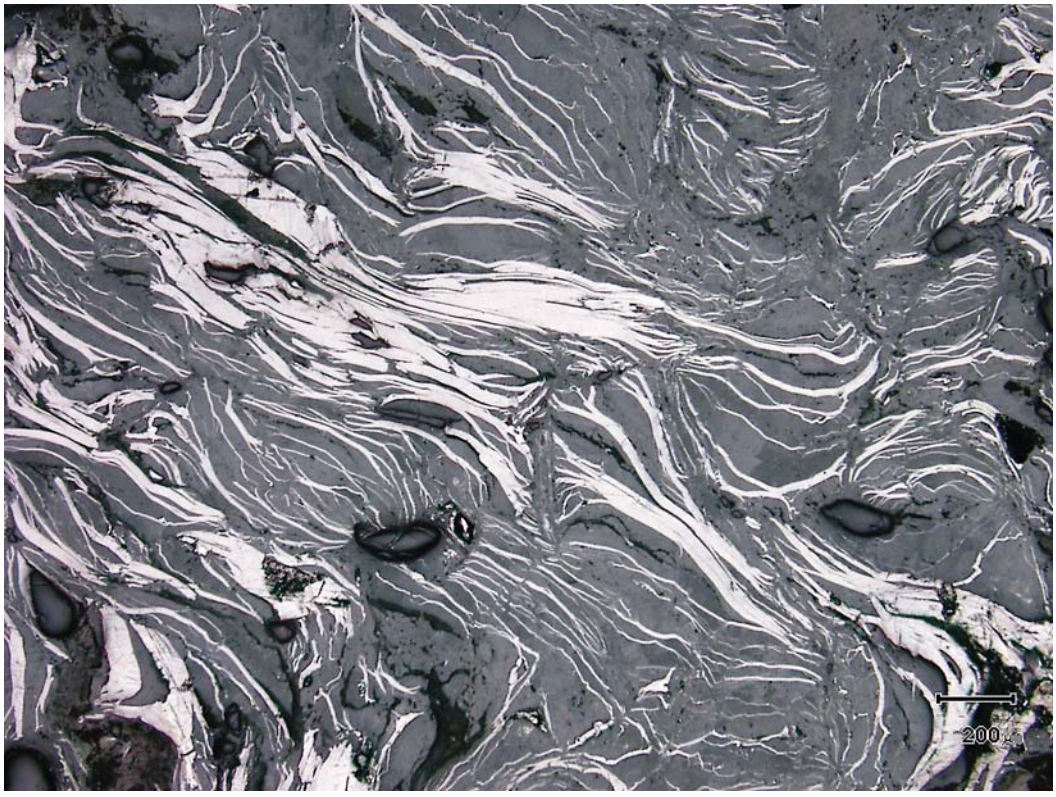

Plate 4. Hole WG031 51-52m. General view of coarse flake graphite. (Note scale bar 200 micron = 0.2mm).

Plate 5. Hole WG031 66-67m. General view of coarse flake graphite. (Note scale bar 200 micron = 0.2mm).

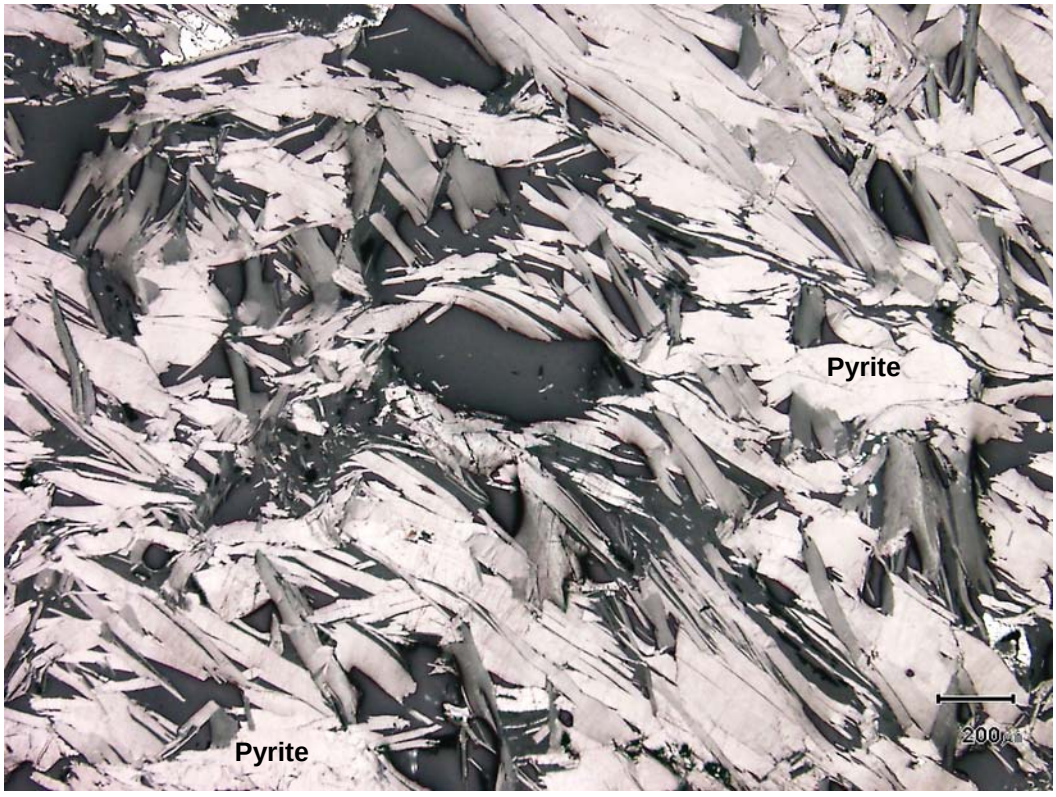

Plate 6. Hole WG032 102-103mm. General view of coarse flake graphite. (Note scale bar 200 micron = 0.2mm). Bright white particles are pyrite.