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
30 July 2013

Monax Mining Limited

Quarterly Report

For the quarter ended 30 June 2013

HIGHLIGHTS

- ***Punt Hill Project –***
  - **Samples of granite from one drill hole confirm alteration is the same age as mineralisation at both Olympic Dam and Prominent Hill.**
  - **Further gravity targets outlined at the Project to be presented to farm-in partner, Chilean major Antofagasta, for drilling approval.**

- ***Monax | Antofagasta Strategic Alliance –***
  - **Gravity survey outlines two IOCG targets at Algebuckina Designated Project (DP).**
  - **Two gravity targets identified at Alliance Olympic IOCG tenements.**

- ***Waddikee Project –***
  - **High-grade graphite reported from drilling at Wilclo South prospect.**
  - **Maiden JORC Resource expected early August.**
  - **High-grade graphite reported from drilling at Francis prospect.**

- ***Western Gawler Craton Project –***
  - **Information Memorandum produced for Western Gawler Craton project to find joint venture partner.**

- ***Reedy Lagoon Project –***
  - **Term sheet signed with Fortescue Metals for copper-gold project in northern South Australia.**

Corporate

In the three months to 30 June 2013, Monax Mining Limited (ASX:MOX) undertook exploration on its Waddikee Graphite Project, located on South Australia's Eyre Peninsula and on the Algebuckina Designated Project in SA's Far North.

Laboratory results were received for the Waddikee Project's Wilclo South graphite drilling program and these have been forwarded to a resource consultant for the determination of an inferred resource with results expected by early August 2013.

The recently completed gravity survey at the Algebuckina Designated Project ("ADP") outlined two possible IOCG targets on the Monax Alliance tenements. Monax Alliance withdrew from an Option to Purchase Agreement with ASX-listed Falcon Minerals (ASX:FCN) for two tenements within the ADP after the gravity survey did not identify any iron-oxide copper-gold (IOCG) targets.

Monax Alliance received its Deed of Access for the Woomera Prohibited Area allowing access for exploration within this restricted zone.

Exploration Licence 5259 was granted during the quarter. This tenement is a Monax Alliance tenement and with approved access for exploration for the WPA, a gravity survey is planned for the current quarter over an identified iron-oxide copper-gold (IOCG) target.

In May, Monax Mining signed a term sheet with FMG Resources Pty Ltd ("Fortescue"), a subsidiary of Fortescue Metals Group (ASX: FMG) – for a copper-gold project in northern South Australia. Monax plans to undertake a detailed ground gravity survey over the feature as soon as possible following approval of land access to assist in defining targets for drill testing.

As at 30 June 2013, Monax had a cash balance of $1.375 million. During the quarter $789,000 was spent on exploration on Monax projects.

Exploration

South Australian projects

Monax has seven South Australian projects (Figure 1).

1. **Punt Hill – copper-gold (farm-in with Antofagasta).**
2. **Monax | Antofagasta Strategic Alliance (includes Algebuckina and Millers Creek Designated Projects).**
3. **Waddikee – graphite, manganese and iron.**
4. **Phar Lap – copper-gold.**
5. **Yorke Peninsula – copper-gold (includes Melton JV with Marmota Energy).**
6. **Western Gawler Craton – nickel-copper.**
7. **Reedy Lagoon – copper-gold (term sheet signed with FMG Resources Pty Ltd).**

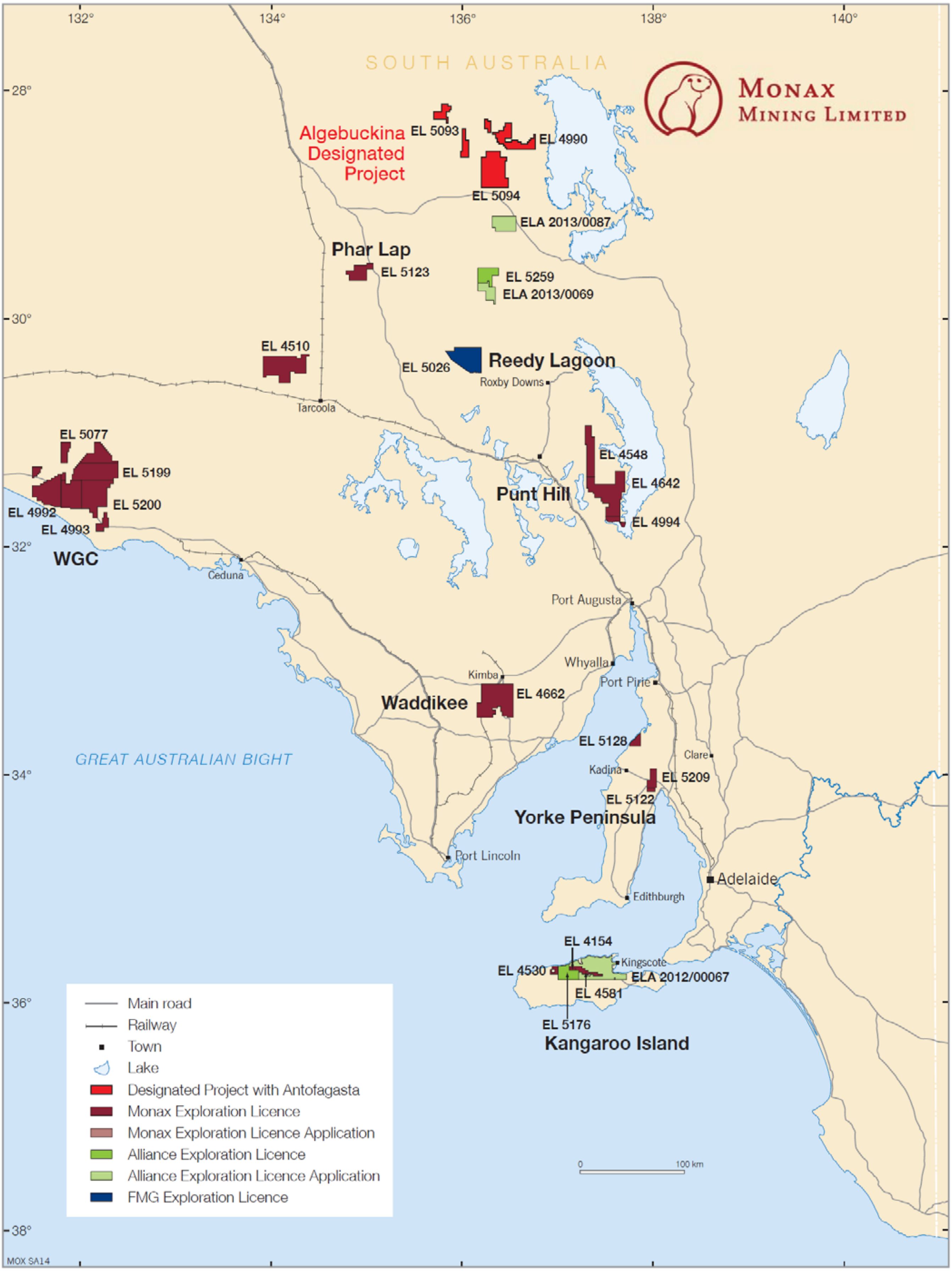

Figure 1. Location of Monax's projects.

Punt Hill Project – copper-gold
(Monax 100%; Antofagasta earning 51%)

The Punt Hill Project is located within the highly prospective Olympic IOCG province on the eastern margin of the Gawler Craton in northern South Australia. This province is host to the world class Olympic Dam and Prominent Hill mines, as well as the recently discovered Carrapateena and Hillside deposits.

The Punt Hill Project is subject to a farm-in agreement with a wholly owned subsidiary of major Chilean mining company Antofagasta plc ("Antofagasta").

Antofagasta has invested approximately US$3.8 million in the Project since August 2010. Under the Punt Hill Farm-In Agreement, Antofagasta can earn a 51% interest in the Project upon reaching US$4 million expenditure in the Project.

During the quarter, Monax undertook a detailed geophysical review of the Project incorporating a new gravity model developed using all internal and publically available data. Up to six targets were outlined, including two new targets and four existing targets. These targets will be presented to Antofagasta for drilling approval at the August Monax – Antofagasta Technical Committee Meeting.

During the quarter Monax received the results of the geochronology undertaken on granite from drill hole HODD3. Results show the primary age of the granite host is ~1850Ma (Donington Suite). Dating of hydrothermal sphene (titanite) recorded an alteration date of ~1580Ma (Hiltaba Suite age), which is the same age as mineralisation at Olympic Dam, Prominent Hill, Carrapateena and Hillside. This date provides further evidence that the alteration and mineralisation at Punt Hill is the result of the same mineralising event which produced the above mentioned deposits.

Monax | Antofagasta Strategic Alliance – copper

In October 2011, Monax announced the formation of a Strategic Alliance with Antofagasta for project generation in South Australia.

The terms of the agreement require that Antofagasta spend US$1 million over two years to allow Monax to facilitate area prospectivity identification and analysis, basic exploration, project generation and target selection. Any initial properties that are identified as a "project of interest" become a 'Designated Project' (DP) following acceptance and approval by Antofagasta. Once a DP has been formed, Antofagasta will have acquired a 51% interest and Monax a 49% interest in the Project.

Antofagasta will then have the option to earn an additional 19% of any DP (cumulative 70% interest) by spending a further US$4 million on exploration within three years and upon earning this interest it will subsequently be required to make an additional cash payment (success fee) to Monax of US$3 million.

Algebuckina Designated Project ("ADP")

The ADP originally comprised three Alliance tenements and two tenements held by Falcon Minerals Limited ("Falcon"), and is located on the northern margin of the Gawler Craton in northern South Australia (Figure 1).

During the quarter a gravity survey was completed over four copper-gold targets.

Based on results from a gravity survey of Falcon's two tenements, Monax Alliance withdrew from the agreement with Falcon, thereby reducing the ADP to the three Alliance tenements (see Figure 1).

Gravity survey results from the other two copper-gold targets confirmed the presence of two significant gravity anomalies, which have similar geophysical characteristics to those of known IOCG deposits.

The Alliance exploration model focuses on the emplacement of 1530 million year old granites, and associated extensive magnetite alteration. Both the age of granite emplacement and magnetite alteration present at Algebuckina has strong similarities to that responsible for the regional event prior to IOCG style mineralisation in the Cloncurry region of north Queensland. The Cloncurry region is host to several IOCG deposits.

The two gravity targets will undergo further refinement prior to being presented to the Monax – Antofagasta Technical Committee in August for approval of a decision to drill.

Lawyers for the Arabana Native Title group and Monax Alliance are currently reviewing a draft Native Title Agreement and expect to finalise in the September quarter.

Alliance Projects

Monax continues to review potential projects for the Alliance.

Monax Alliance has three tenements located within the Olympic IOCG Province (see Figure 1).

A review of available gravity data for recently granted EL 5259 (Hunts Bore), has identified an IOCG target. Monax Alliance is planning a detailed gravity survey over the target to better define the anomaly. The tenement is located within the green zone of the Woomera Prohibited Area (WPA) and Monax Alliance has recently received its Deed of Access for the WPA. Monax Alliance is currently waiting for Approved Person approvals for its gravity contractors, with the gravity survey planned for the current quarter.

A review of available gravity data for ELA 2013/0087 (Margaret's Dam) also identified an IOCG target. ELA 2013/0087 is not expected to be granted until late 2013 and a gravity survey will be undertaken upon the grant of the tenement.

Waddikee Project – graphite, manganese and iron (Monax 100%)

The Waddikee Project (EL 4662) is located approximately 100 kilometres south-west of Whyalla, on South Australia's Eyre Peninsula, within an area that is becoming the premier graphite province in SA (Figure 1).

During the previous quarter Monax completed seventy seven reverse circulation (RC) drill holes at the Wilclo South prospect totalling 7307m. The location of the drill holes is shown in Figure 2. The drilling program was designed to test a 1.2km strike zone to 120m depth for an initial resource definition.

Significant results include:

- 12m @ 17.5% TGC (WG043 83-95m)
- 15m @ 16.3% TGC (WG041 88-103m)
- 10m @ 24.4% TGC (WG109 114-124m)
- 9m @ 19.7% TGC (WG088 49-58m)
- 12m @ 18.1% TGC (WG100 41-53m)

(*Note: all lengths are downhole lengths; true width unknown).

The highest individual graphite result was 45% TGC (hole WG109 118-119m), which is part of a 6m high-grade zone (6m @ 31.4% TGC 116-122m – note downhole length; true width unknown).

The graphite horizons are interpreted to dip approximately 30^o-40^o to the east and strike approximately 170^o-350^o. This is supported by electromagnetic data (see Figure 3).

Petrology from drill hole samples confirms the presence of coarse flake graphite in the majority of samples, with coarse flake graphite present in several forms (i.e. individual coarse flakes, aggregates of flakes and massive graphite aggregates).

Drill hole assays and data have been forwarded to AMC Consulting for preparation of a JORC Resource with results expected to be completed by early August 2013.

Once the report from the resource consultant has been received, Monax will review its options on how best to progress the Project.

Seven RC drill holes totalling 612m were completed at the Francis graphite prospect to test a prominent electromagnetic (EM) anomaly (Figure 3). Graphite up to a maximum of 38.1% TGC was reported over one metre with five one metre samples reporting >30% TGC.

The best results* from the Francis prospect include:

- 15m @ 20.7% TGC (WG118 14-29m)
- 12m @ 21.9% TGC (WG121 60-72m)
- 3m @ 22.2% TGC (WG119 36-39m)
- 2m @ 25.1% TGC (WG120 51-53m)
- 2m @ 16.2% TGC (WG120 56-58m)
- 3m @ 10% TGC (WG123 29-32m)

(*Note: all lengths are downhole lengths; true width unknown).

The high-grade graphite reported from the Francis and Wilclo South prospects provides further encouragement that the prominent conductive trend seen in the airborne electromagnetic data is the result of a large geological fold structure which is prospective for graphite (see Figure 3).

Monax is expecting to receive its maiden JORC Resource for the Wilclo South prospect by early August 2013.

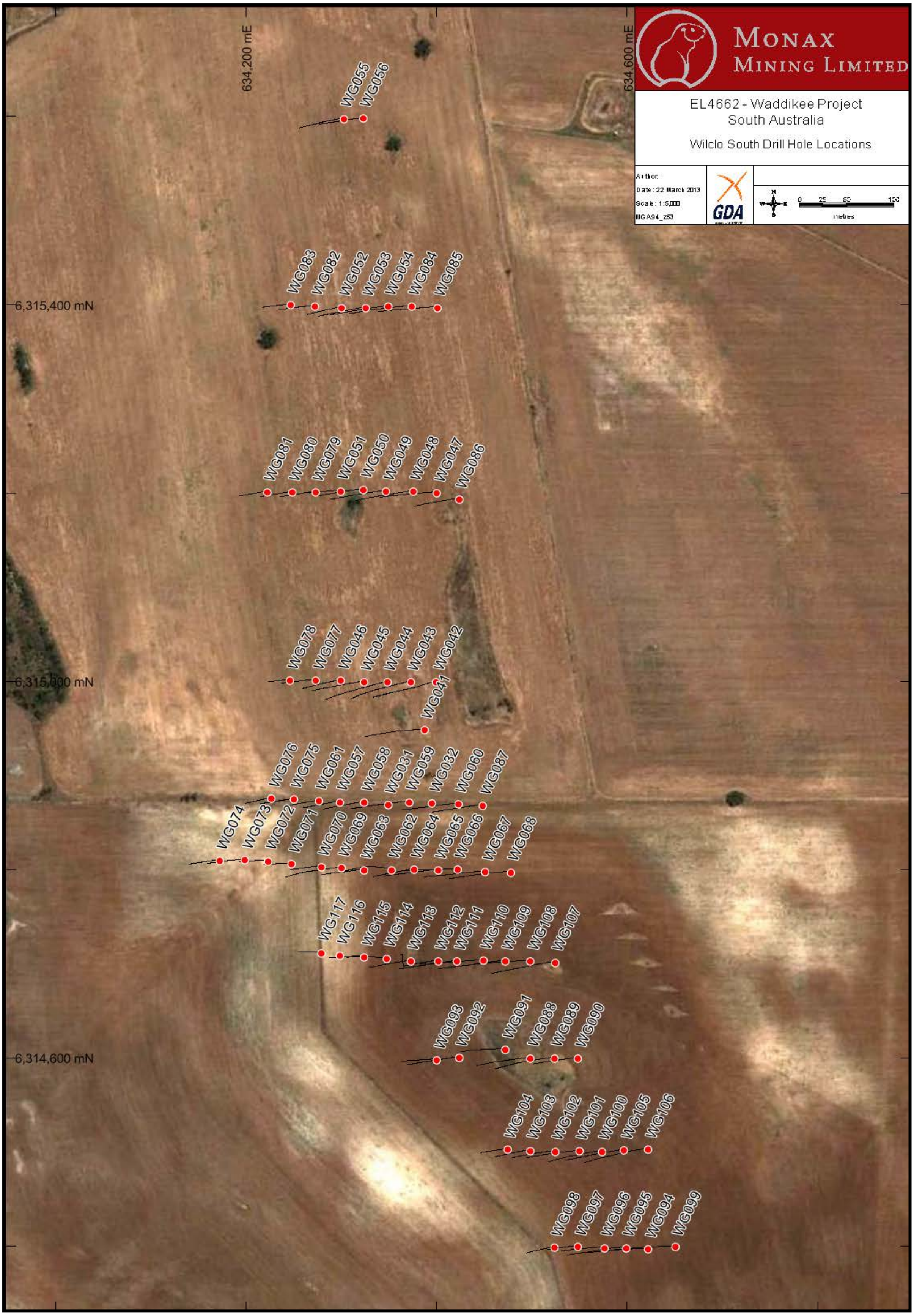

Figure 2. Wilclo South prospect - Location of drill holes showing drill hole traces.

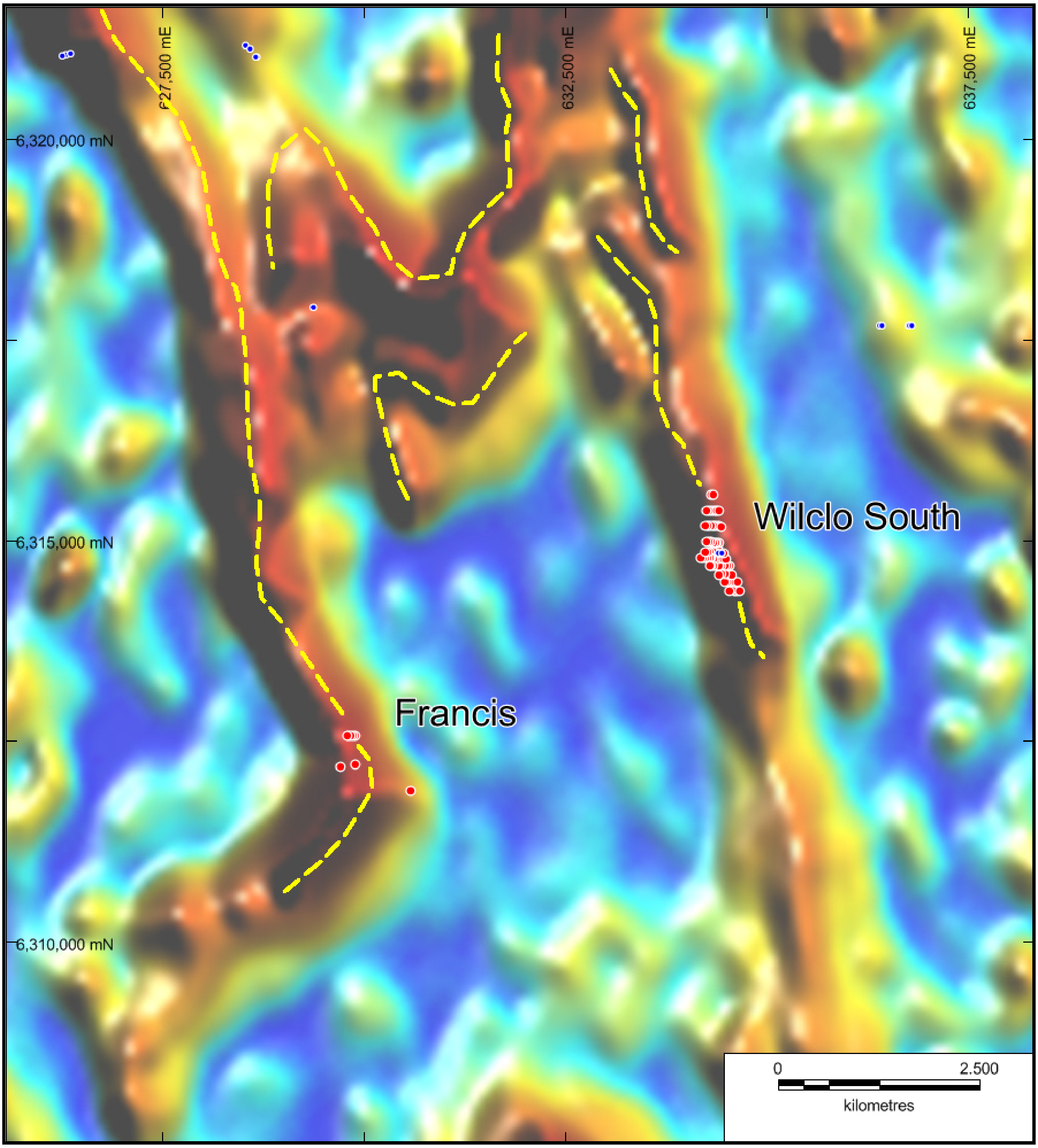

Figure 3. Airborne Electromagnetic Image (AEM) over part of the Waddikee Project showing prominent conductive feature and drill holes at Wilclo South and Francis graphite prospects. Red dots = 2013 drill holes. Blue dots = 2012 drill holes. The yellow line shows the strike of the interpreted graphite horizon.

Phar Lap Project – copper-gold
(Monax 100% of all minerals excluding uranium; Marmota 75% uranium, Monax 25% uranium)

EL 5123 (Phar Lap) is located about 60km west north-west (WNW) of the Prominent Hill mine, on the south-western margin of the Mt Woods Inlier in South Australia's Far North (Figure 1). The Mt Woods Inlier contains the Prominent Hill (Cu-Au) and Cairn Hill (Fe-Cu) mines, as well as several IOCG style targets including Joes Dam and Manxman.

Monax is continuing the land access process and plans to drill these targets in late 2013.

Yorke Peninsula Project – copper-gold

Monax has two projects located on the Yorke Peninsula in South Australia. They are:

1. Melton (50:50 Joint Venture with Marmota Energy Limited – ASX:MEU)
2. Webling Bay (100% Monax)

No exploration was undertaken on either project during the quarter.

Western Gawler Craton (WGC) Project – nickel-copper, gold
(Monax 100%)

The WGC project comprises five granted tenements (EL 4992, EL 4993, EL 5077, EL 5199 & EL 5200) covering an area of 3,433km^2 (Figure 1).

The basement rocks on the western Gawler Craton record a history of active tectonism which resulted in the mafic and ultramafic intrusives being introduced into a package of Palaeoproterozoic sediments; a setting analogous to the Thompson Nickel Belt in Manitoba, Canada. Monax considers this area prospective for nickel-copper mineralisation.

The Fowler Domain in South Australia comprises a northeast trending sinuous, high-magnetic intensity belt located on the western Gawler Craton (Figure 4). The Fowler Domain contains Archaean/Proterozoic rocks, reworked and intruded by Palaeoproterozoic igneous and metamorphic rocks.

Limited historical company exploration and geological mapping has shown that the Fowler Domain is a complex, long-lived deep crustal scale structural zone similar to the Thompson Nickel Belt in Canada and the Albany Fraser Belt in Western Australia.

Monax has produced an Information Memorandum and is seeking a partner to assist in progressing this highly prospective project.

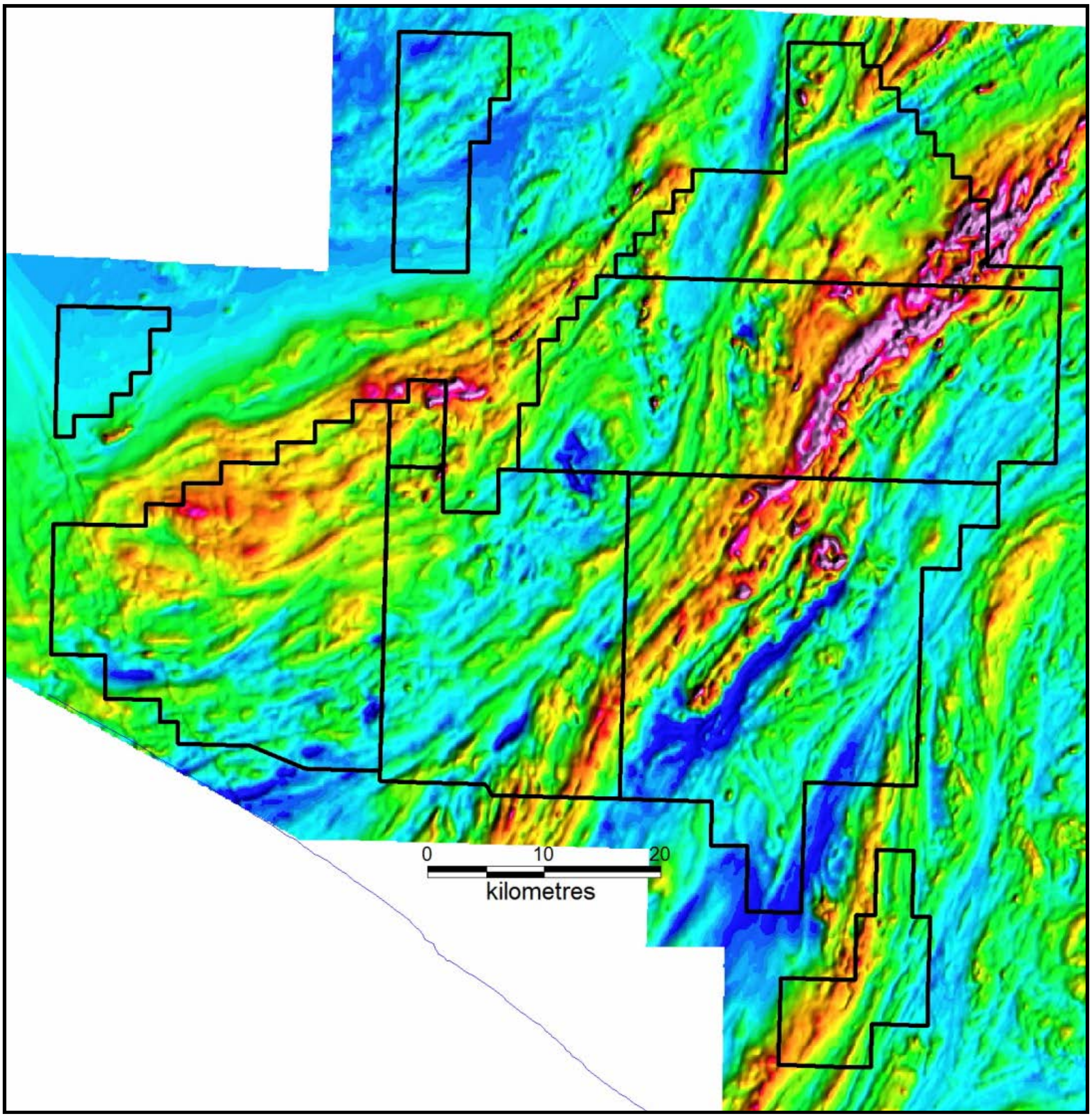

Figure 4. Plan showing WGC Project (background TMI). For location of WGC Project – see Figure 1.

Reedy Lagoon Project – copper-gold (Fortescue Metals 100%)

During the June quarter Monax signed a term sheet with FMG Resources Pty Ltd ("Fortescue"), a subsidiary of Fortescue Metals Group (ASX: FMG) – for a copper-gold project in northern South Australia.

The agreement also contains non-binding terms pursuant to which, subject to the outcome of the technical due diligence by Monax (including a detailed ground gravity survey), the parties will negotiate terms for Monax to farm-in to the project and for the parties to form a joint venture.

Monax reviewed available geophysical data for the project and discovered a prominent gravity feature (Figure 5). Modelling of gravity and magnetic data has shown that the anomaly is not explained by shallow basement or the Gairdner Dykes visible in Figure 5.

A single historical drill hole completed over 1km from the target to a depth of 674m which failed to intersect basement rocks and did not identify the anomaly. Figure 6 summarises the geological model for the Reedy Lagoon 1 gravity feature.

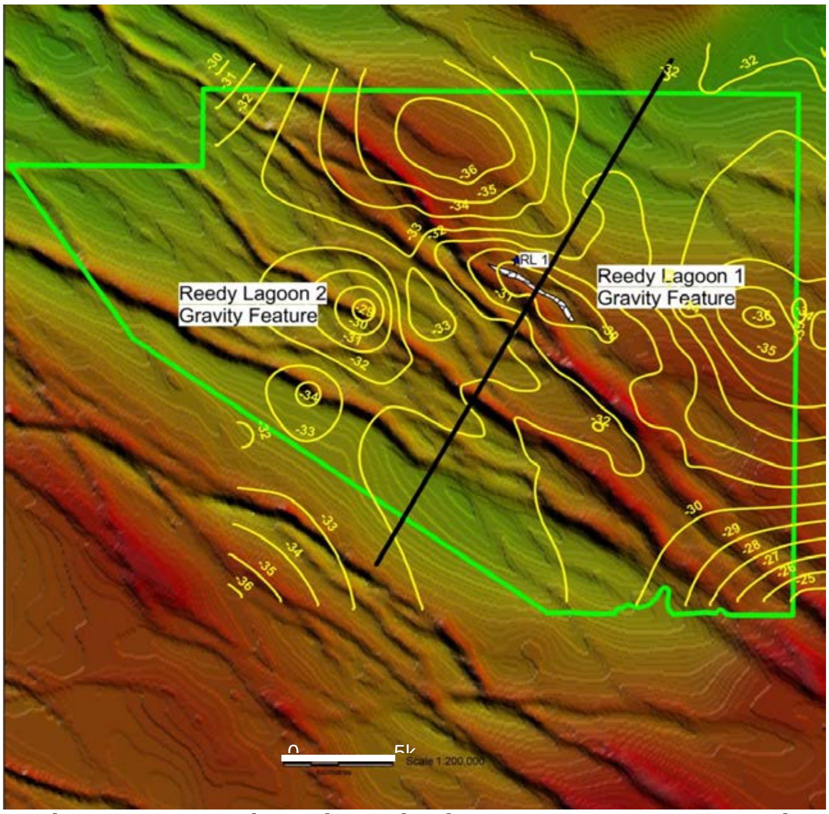

Figure 5. Location of gravity feature on EL 5026. Back ground TMI and gravity contours. Black line represents the line used for modelling with part of the line shown below.

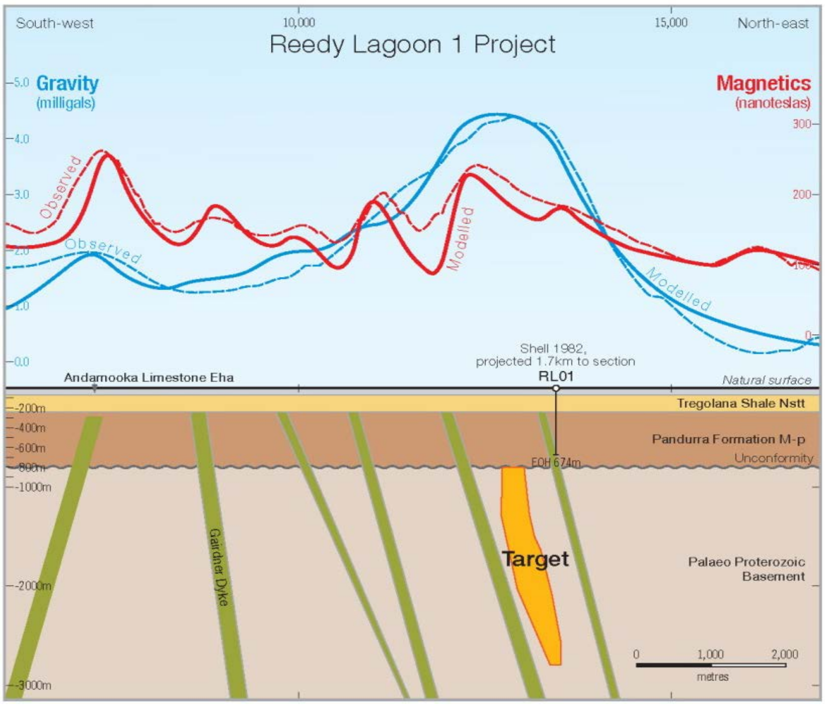

Figure 6. Geophysical model for Reedy Lagoon 1 gravity feature.

Exploration Program planned for September quarter

Punt Hill – copper-gold

- Ongoing review of all drill hole data.
- Continuing ongoing review of all geophysical data.
- Plan next phase of exploration.

Monax | Antofagasta Strategic Alliance - copper

- Ongoing identification of new copper projects within South Australia.
- Continue assessment of identified copper projects.
- Complete ground magnetic surveys at Eitzen Bore and Ruby Hill targets (ADP).
- Undertake heritage clearance for proposed drilling program for ADP.

Waddikee – graphite, iron and manganese

- Assess resource report for Wilclo South graphite prospect.
- Continue assessment of iron potential at Waddikee.

Phar Lap – copper-gold

- Continue land access process.

Yorke Peninsula – copper-gold

- No work planned.

Western Gawler Craton – nickel-copper, gold

- Seek partner for project.

Reedy Lagoon – copper-gold

- Awaiting access and Native Title agreements.

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 the Quarterly Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets 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.'

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Monax Mining Limited

ABN	Quarter ended ("current quarter")
96 110 336 733	30 June 2013

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(789)	(4,553)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(115)	(778)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	31	107
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	Cash call contributions under JV agreements	482	3,280
	Other	70	169
	Net Operating Cash Flows	(321)	(1,775)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments	-	-
	(c) other fixed assets	(8)	(11)
1.9	Proceeds from sale of: (a) prospects	-	25
	(b) equity investments	65	712
	(c) other fixed assets	-	-
1.10	Loans to other entities	57	14
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	114	740
1.13	Total operating and investing cash flows (carried forward)	(207)	(1,035)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(207)	(1,035)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(207)	(1,035)
1.20	Cash at beginning of quarter/year to date	1,582	2,410
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	1,375	1,375

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	241
1.24	Aggregate amount of loans to the parties included in item 1.10	57

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation), legal fees paid to a legal firm in which a director is a partner, contributions to Joint Venture expenditure made to a related party and service fee payments to an associated entity.
The amount at 1.24 above represents costs to be recovered in relation to shared facilities from a related entity and provision of exploration management services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Marmota Energy Limited pursuant to the Farm-In and Joint Venture Agreements for EL 4510 (formerly EL 3358), EL 5124 (formerly EL 3910), EL 5122 (formerly EL 3911) and EL 4000 has incurred on an accruals basis $13,927 in the quarter ending 30 June 2013.

Antofagasta Minerals S.A. pursuant to the Farm-In Option Agreement – Punt Hill Project for EL 4642 and EL 4548 has incurred on an accruals basis $49,685 in the quarter ending 30 June 2013.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	325
4.2	Development	-
4.3	Production	-
4.4	Administration	200
	Total	**525**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	758	65
5.2	Deposits at call	615	1,515
5.3	Bank overdraft		-
5.4	Other (provide details)	2	2
	Total: cash at end of quarter (item 1.22)	1,375	1,582

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	EL 5199 (formerly ELA 2012/00064)	Granted	100%	100%
		EL 5200 (formerly ELA 2012/00076)	Granted	100%	100%
		EL 5259 (formerly ELA 2012/00318)	Granted	100%	100%
		ELA 2013/00063 (subsequent licence application for EL 4154)	Application	100%	100%
		ELA 2013/00087	Application	0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	149,514,803	149,514,803		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise Price*	*Expiry Date*
		215,000	Nil	$0.246	18/07/2013
		10,000	Nil	$0.0517	23/12/2013
		425,000	Nil	$0.0917	05/03/2015
		225,000	Nil	$0.051	28/07/2016
		325,000	Nil	$0.053	23/07/2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				

+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: ....30/07/2013.......
(~~Director~~/Company secretary)

Print name: Virginia Suttell

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==