MONAX MINING LIMITED
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17 September 2013

ASX ANNOUNCEMENT

RIGHTS ISSUE – LETTER TO OPTIONHOLDERS

Please find attached for release to the market a letter to optionholders in relation to participation in an upcoming non-renounceable rights issue ('Rights Issue') by Monax Mining Limited (ASX:MOX).

This Letter to Optionholders has been sent to all optionholders.

Regards

Virginia Suttell
Company Secretary

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Dear Optionholder,

Participation in non-renounceable rights issue

The purpose of this letter is to give you notice, as a holder of options over unissued shares (**Options**) in Monax Mining Limited (**Company**), of an upcoming non-renounceable rights issue (**Rights Issue**).

The Company is undertaking a one for three non-renounceable rights issue at an issue price of $0.03 per share to raise approximately $1.5 million (**Offer**). The Company has applied to the ASX for the shares under the Rights Issue to be granted official quotation.

Only shareholders of the Company with an address on the Company's register in Australia or New Zealand at 7:00pm (Adelaide time) on 1 October 2013 (**Record Date**) will be eligible to participate in the Offer.

The directors of the Company reserve their right to issue shortfall shares under the Offer at their discretion within three months after the close of the Offer.

As an option holder, you do not have any entitlement to participate in the Offer unless your Options are exercised in time for shares to be allotted to you before the Record Date. To ensure that your shares are allotted and issued before the Record Date, your Exercise of Options Forms and relevant payment must be received by the Company no later than 1 October 2013.

Before making a decision to exercise your Options or to participate in the Offer, you should seek independent advice from your professional advisor.

Yours Faithfully

Virginia Suttell

Company Secretary