



For Immediate Release
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ASX RELEASE

Millers Creek Exploration Update

HIGHLIGHTS

- **Farm-In Agreement signed.**
- **Drilling planned to commence late March 2015.**

Monax Mining Limited ("Monax") (ASX:MOX) announced today the signing of a Farm-In Agreement with Maximus Resources Limited ("Maximus") (ASX:MXR) over four tenements located within the Woomera Prohibited Area (WPA) in northern South Australia.

The four tenements above, plus one Monax Alliance tenement, comprise the Millers Creek Designated Project ("Millers Creek DP") totalling 2402km² (Figure 1).

The Millers Creek DP is a joint project between Monax and its strategic alliance partner, a wholly-owned subsidiary of major Chilean copper producer Antofagasta plc ("Antofagasta"), via Monax's own wholly-owned subsidiary, Monax Alliance Pty Ltd ("Alliance").

Initial geophysical data modelling, based on the 2013/2014 Department of State Development-funded 1km x 1km gravity survey, outlined four priority iron-oxide copper-gold (IOCG) targets and several lesser ranked prospects (Figure 2).

Alliance undertook detailed gravity surveys at four areas shown in Figure 2. After a review of the newly acquired gravity data, Alliance completed a detailed heli-borne magnetic survey over the Oliffes Dam area to assist with modelling depth to basement and provide better quality magnetic data to assist with locating potential drill holes.

Alliance completed a successful Aboriginal heritage clearance survey in mid-2014 and Maximus signed a Native Title Agreement with the Arabana People allowing access for drilling at the Oliffes Dam target. The drill hole is located within the WPA and drilling will commence in late March 2015 after all statutory approvals are received.

Alliance will complete one hole at the Oliffes Dam target, with drilling expected to take 4-5 weeks to complete.

"Alliance is excited by the Oliffes Dam target and looks forward to the upcoming drilling program," Monax Mining Managing Director, Mr Gary Ferris, said today.

“The Oliffes Dam drill hole is located in an under-explored zone between the Olympic Dam and Prominent Hill mines and if Alliance intersects IOCG style alteration and/or mineralisation, this will increase the prospectivity of this region” he said.

“We are excited to have such a supportive partner in Antofagasta who has funded all exploration to date initially under the recently concluded strategic alliance and now as a Designated Project” he said.

Farm-In Agreement

Under the terms of the Farm-In Agreement with Maximus, Alliance can earn an 80% interest in the Project by spending US\$3 million over three years. Alliance will be the operator of the JV.

If Alliance has earned an 80% interest in the Project, Maximus can elect to either:

- (a) Enter into a Joint Venture (“JV”) with Alliance, with each party contributing to ongoing expenditures in accordance with their respective JV interests; or
- (b) Sell its 20% interest in the Project to Alliance for \$US4.5 million. Maximus will retain a 2% net smelter royalty (NSR) which Alliance has the option to purchase for \$US4 million at any time up to a decision to mine.

If, after earning its 80% interest, Alliance fails to contribute to an approved work program prior to the completion of a feasibility study, Maximus will be appointed Project Manager.

If either party elects not to contribute to JV expenditure they will be diluted using an industry standard formula. If a party’s JV interest dilutes to less than 10%, the diluting party’s JV interest will automatically convert to a 2% NSR, which the non-diluting party can elect to purchase for \$US4 million.

If Alliance withdraws from the Agreement before spending US\$3 million, Alliance will have no interest in the Maximus Tenements.

Background – Designated Project

Alliance is a wholly-owned subsidiary of Monax Mining Limited, and was established as the operational vehicle of the strategic alliance between Monax and Antofagasta.

Under the terms of the alliance, which commenced in November 2011 and was successfully completed in November 2014, Antofagasta committed approximately US\$1.4 million to the alliance over three years for target-generation within South Australia.

Properties identified as a project of interest became Designated Projects (“DP”). whereupon Antofagasta acquired a 51% interest and Monax a 49% interest in the project.

Antofagasta has the option to earn an additional 19% of any DP (for a cumulative 70% interest) by spending US\$4 million within three years. Upon completion of this stage, Antofagasta will make a cash payment (success fee) to Monax of US\$3 million.

Upon vesting its interests at 70% Antofagasta and 30% Monax, both parties have the right to maintain their interest by contributing to exploration or development costs pro rata, or dilute in accordance with a standard dilution formula.

Monax currently has two DP’s (Millers Creek and Musgrave) which are wholly funded by Antofagasta (see Figure 1).

Managing Director,
Monax Mining
Ph: (08) 8245 4900
Email: info@monaxmining.com.au

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 2012 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.



Plate 1. Landscape within area of proposed drilling at Millers Creek.



Figure 1. Location of Monax Projects including the Millers Creek Designated Project.

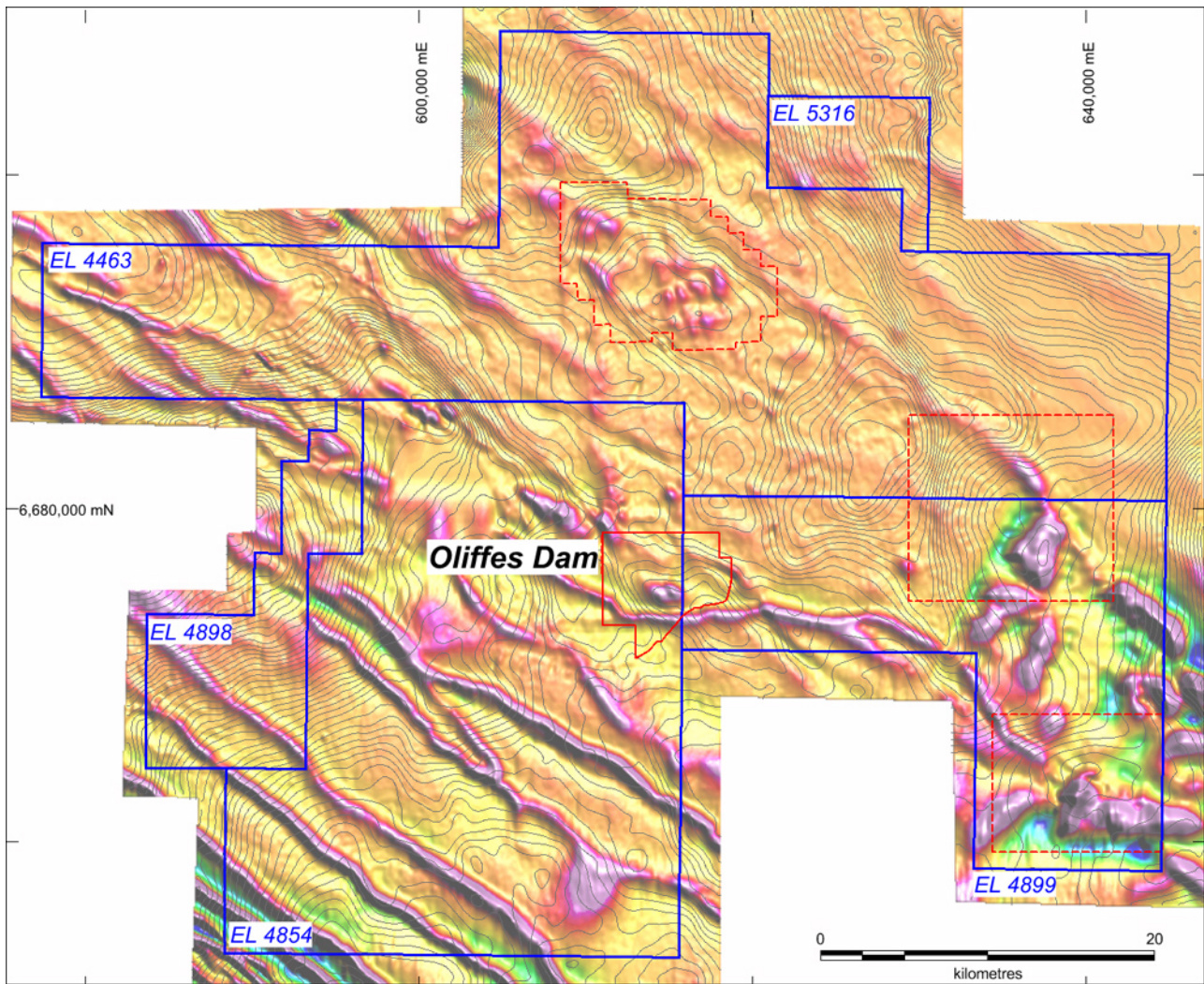


Figure 2. Background reduced to pole (RTP) magnetic image for Millers Creek DP, further processed with a high pass filter, highlighting shorter wavelength features. 2013 WPA gravity survey data merged with open file gravity data with old pre 1970 data deleted is shown as contours (5gu/0.5 Mgal contours).