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ASX RELEASE

Significant Target Outlined at Western Gawler Craton Project

HIGHLIGHTS

- **Electromagnetic surveys outline an anomaly likely to have a deep bedrock source at Atomic Cafe area**
- **Target has a coincident magnetic and gravity anomaly**
- **Monax has 14 days to decide whether to co-fund exploration based on a 10% interest or dilute to a 1% NSR**

Monax Mining Ltd ("Monax") (ASX: MOX) is pleased to announce that ground electromagnetic surveys have uncovered a moderately conductive anomaly likely to have a deep bedrock source at the Atomic Cafe area on the Western Gawler Craton ("WGC") Project.

The WGC Project is currently funded by Western Areas Limited ("Western Areas") under a Farm-In Agreement. Western Areas recently completed Stage 2 of the earn-in for the WGC Project by expending \$1.2 million on exploration activities meaning that Monax must decide whether to form an unincorporated joint venture and co-fund exploration pro-rata (based on a 10% interest) or dilute to a 1% NSR.

Monax is currently undertaking a Share Purchase Plan ("SPP") and notes that a strong shareholder participation will enhance the Company's ability to co-fund exploration on the Western Gawler Craton project based on a 10% project interest.

Electromagnetic Survey Parameters

A Moving In-Loop survey along with a Fixed Loop survey were completed over the area. The two high powered, electromagnetic surveys were undertaken by specialised contractor, GAP Geophysics.

Interpretation of Results

The surveys have defined a discrete late time conductor in the north-east portion of the survey area. Using CDI transforms, the anomaly is clearly visible in the "X" and "Y" components. We

note that the anomaly in the “Z” component is more subtle given the thickness of the conductive cover (See Figures 2 & 3).

Modelling undertaken in Maxwell using the "Leroi" algorithm indicates that the anomaly is sourced by a plate like body at 300m+ depth under approximately 100m of conductive cover. The body dips steeply in a westerly direction with a strike of 70 degrees and a moderate northerly plunge (See Figure 4). The body has a moderate conductance of approximately 3500+ Siemens metres (See Figures 2 & 3).

A gravity survey undertaken over the Atomic Cafe area also shows a discrete positive anomaly (see Figure 5). Importantly, the anomaly is confirmed through the correlation of all three data sets (electromagnetic surveys, gravity surveys and aeromagnetic data) (See Figure 6).

Initial Work

Results from initial drilling within the Atomic Cafe area have been highly encouraging with the identification of hornblende pyroxenite/hornblendite intrusive rocks in drill hole WGA0046.

Significantly, petrology has confirmed the presence of magmatic copper sulphides within these rock types (See Figure 7). The presence of mafic rocks which contain magmatic sulphides confirm initial observations regarding the prospectivity of the area for intrusive related nickel and copper mineralisation. The mafic intrusive rocks appear to be widespread throughout the tenure.

Monax notes that initial assay results align with the petrological results, further supporting the prospectivity of the area.

Summary

“Recent geophysical works coupled with an initial drilling program have provided highly encouraging results, culminating in the identification of a likely bedrock anomaly,” Monax Mining Managing Director, Gary Ferris, said today.

“Importantly, this target lies within an area of rock type which can potentially host magmatic nickel-copper ore bodies,” Mr Ferris said.

“A strong shareholder participation in the SPP is required to enable Monax to co-fund future exploration based on a 10% project interest,” he added.

If you have any queries, please don't hesitate to contact:

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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 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.

Forward Looking Statements

"The information in this report includes forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or any change in events, conditions or circumstances on which any such statement is based."

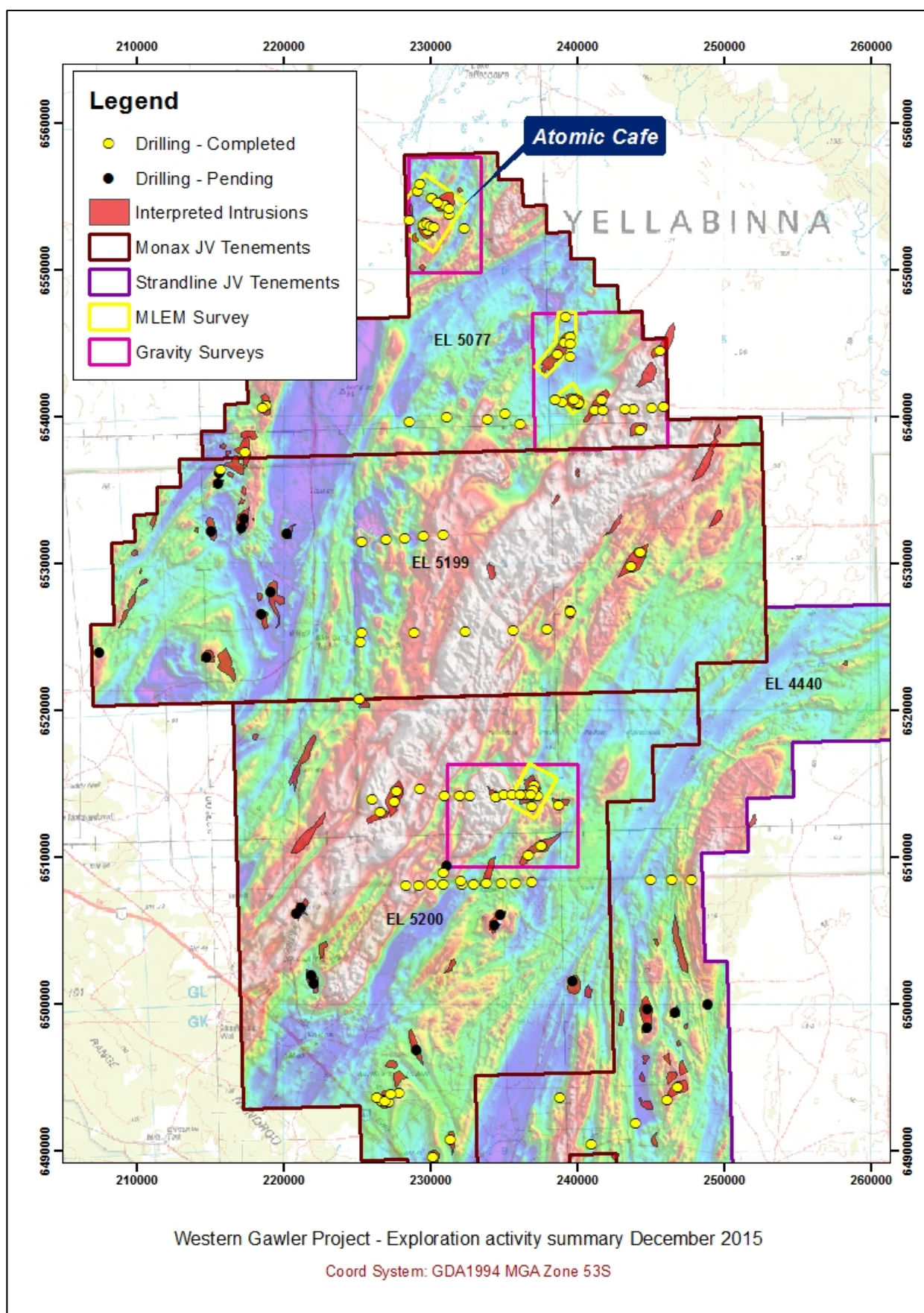


Figure 1. Magnetic imagery (Colour RTP) highlighting the current exploration status and the interpreted intrusions on the Western Gawler Craton Project (Note EL 4440 is not a Monax tenement). Yellow boxes show areas in which ground EM surveys have been undertaken.

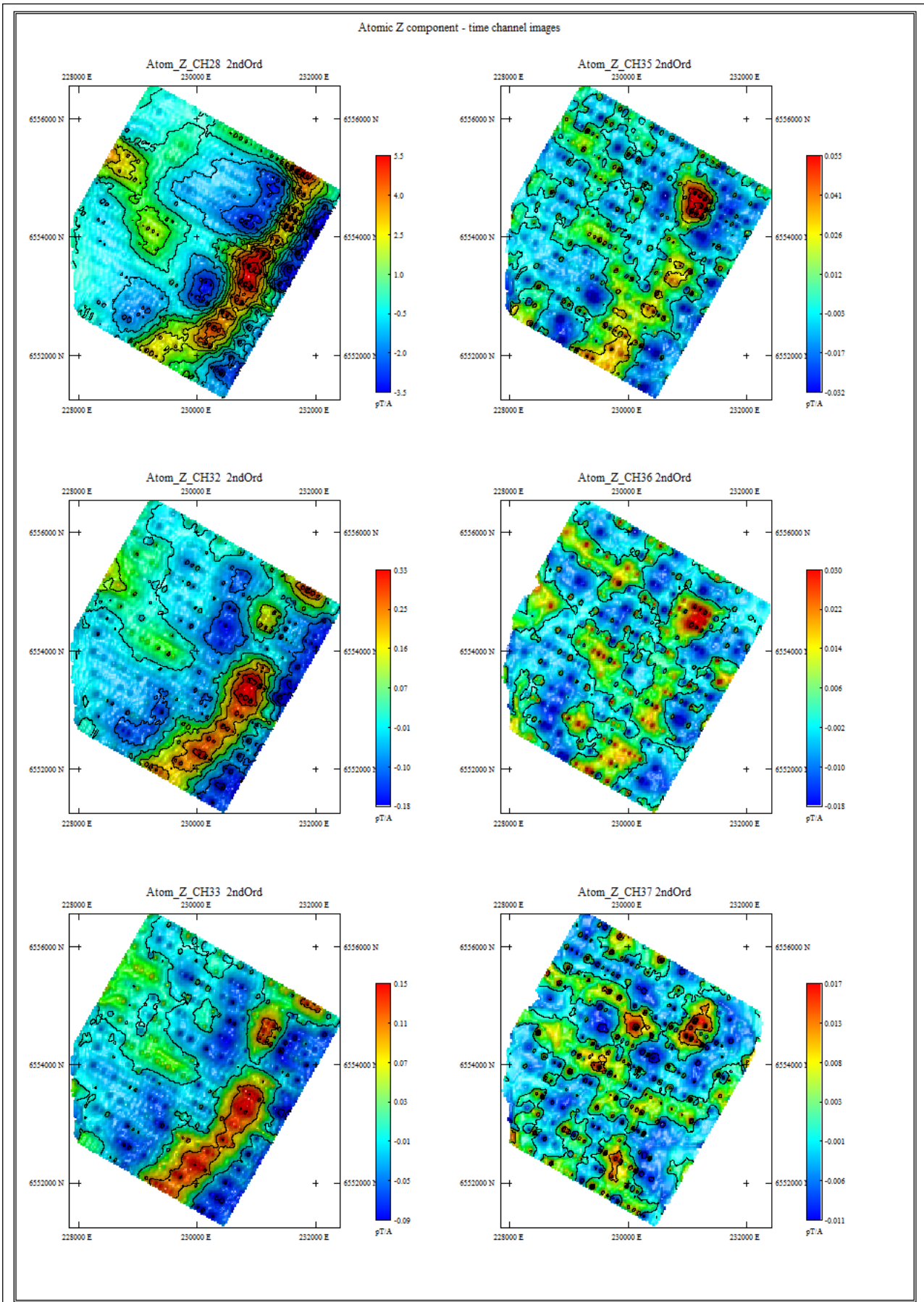


Figure 2: Residual MLEM time channel images, extracting the late time anomaly enabling it to be better highlighted.

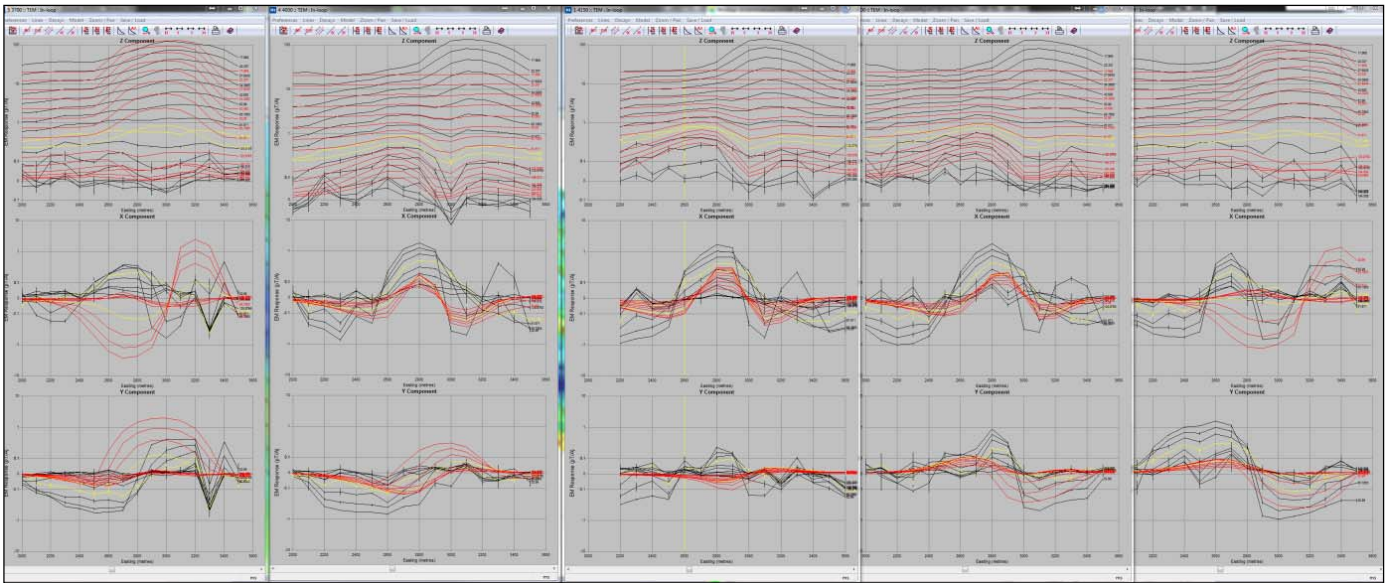


Figure 3: Profiles of the observed and modelled Atomic Cafe traverses for all 3 components, displaying a good fit to the data.

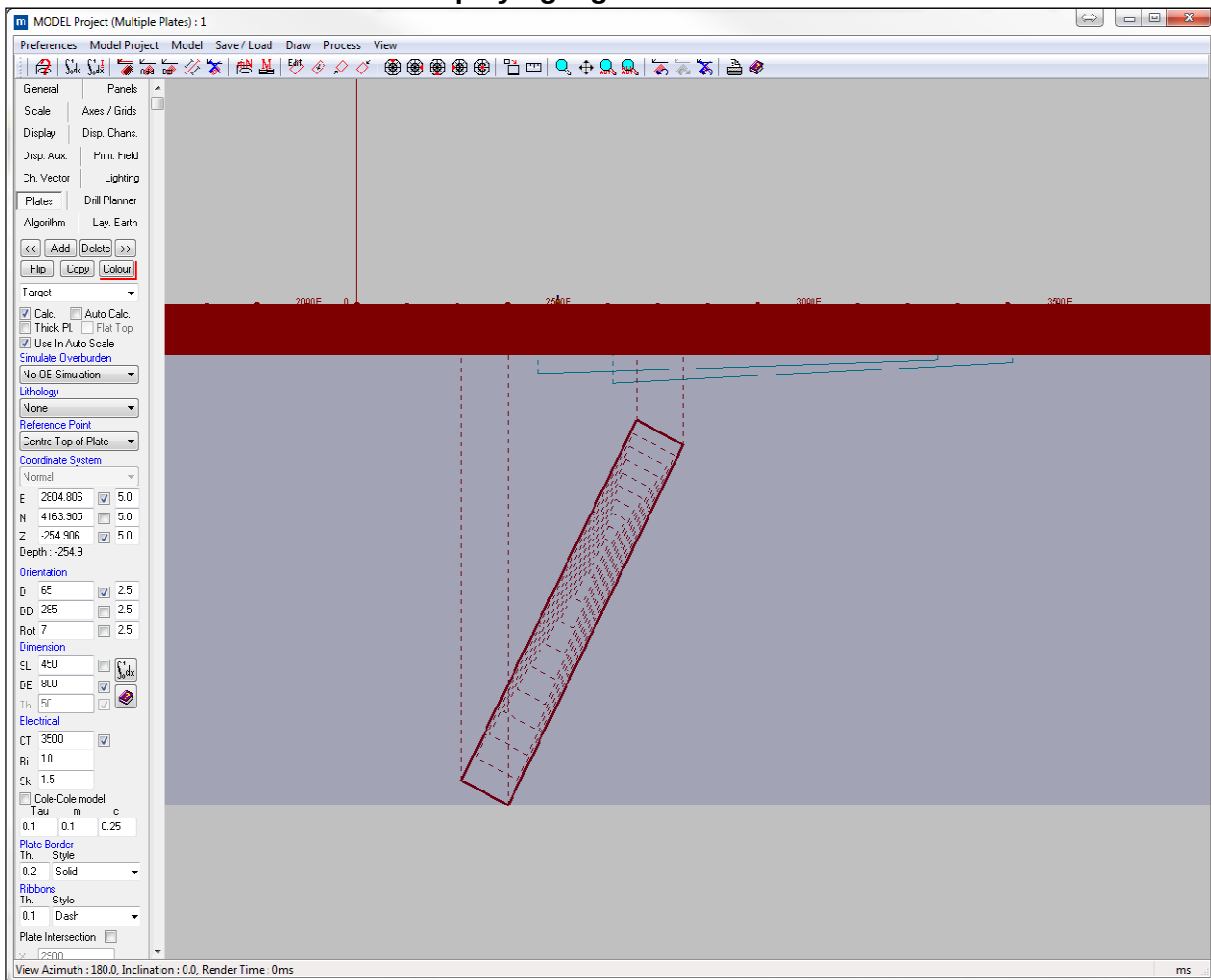


Figure 4: Snap shot of the modelled body, a steeply dipping plate. Significant depth extent is required so as to match the wavelength for the observed anomalies.

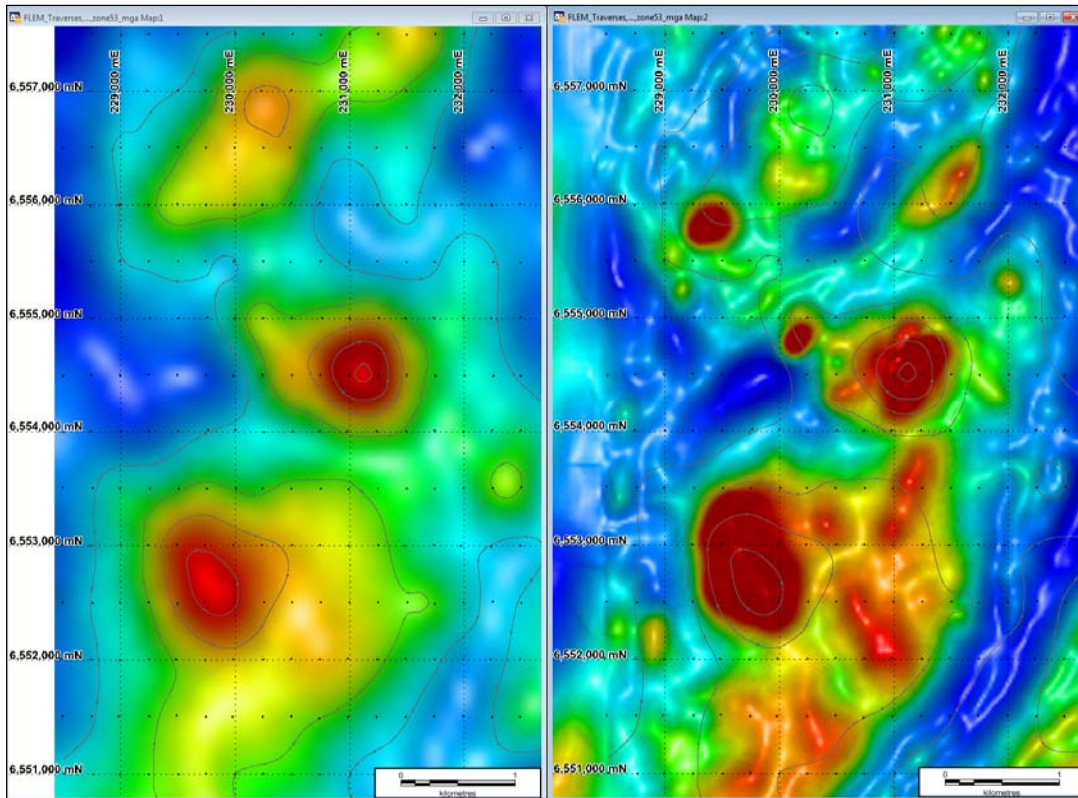


Figure 5: The 2nd order residual Bouguer Anomaly image and Reduced to Pole magnetic image (gravity contours overlain on both images) note the good correlation between the positive gravity anomalies and magnetic anomalies.

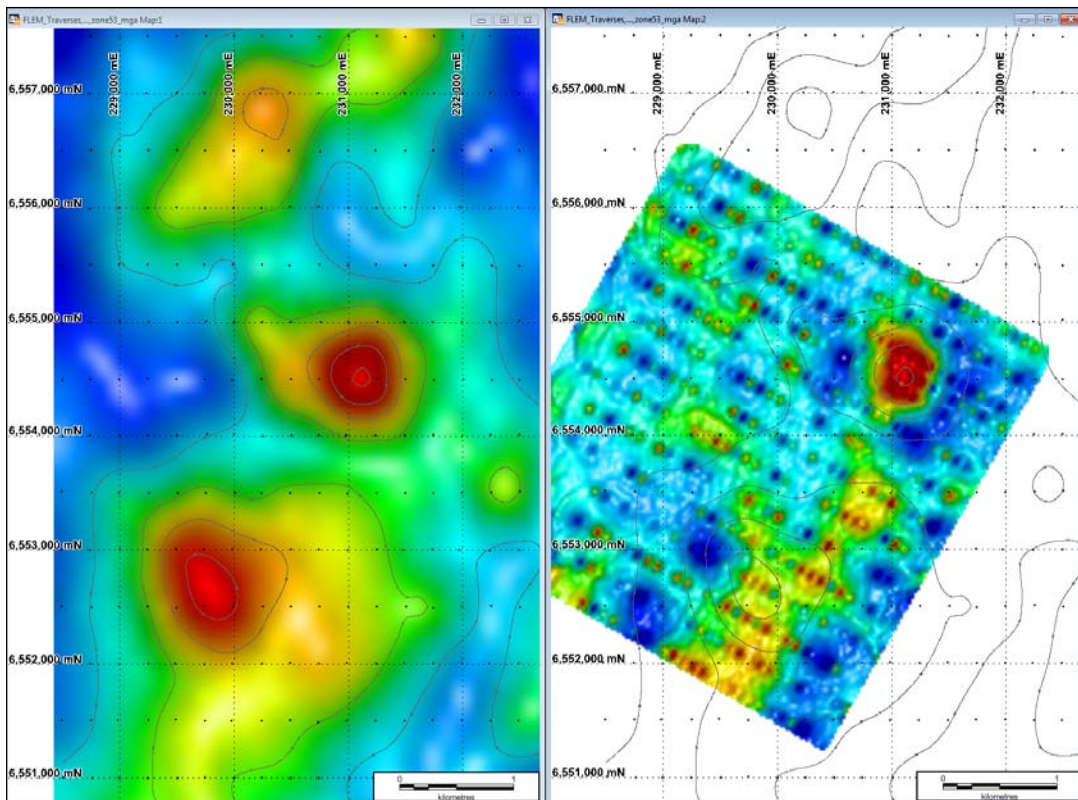


Figure 6: The same 2nd Order residual gravity image with a residual time channel image from the Moving Loop EM data. Note another good correlation between the gravity anomaly and the late time EM anomaly (channel 35: 156msec).

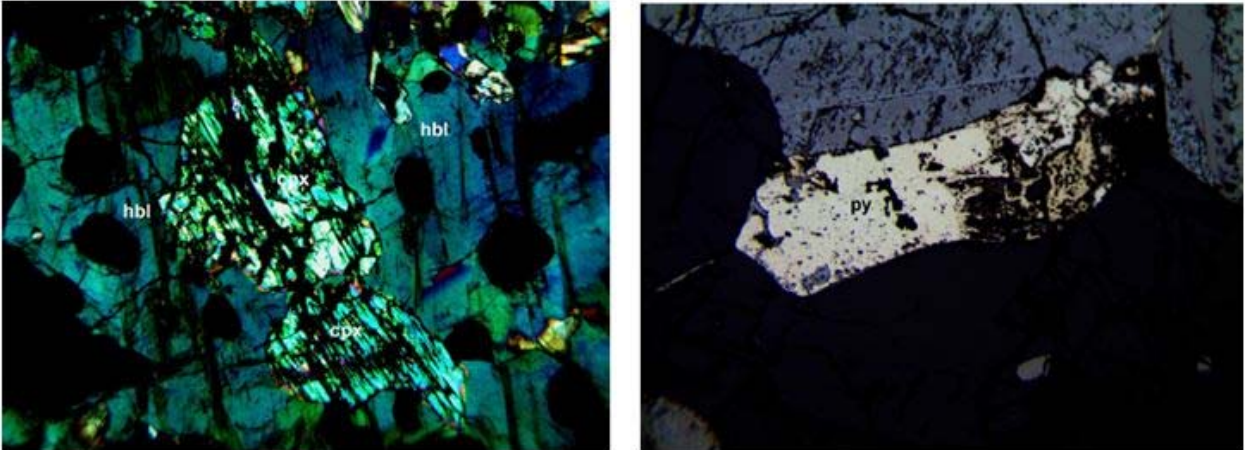


Figure 7: Petrology micrographs of Hornblende pyroxenite (left) and secondary pyrite after pyrrhotite and chalcopyrite (right) in drill hole WGA0046. Fields of view are 2.4mm (left) and 600 microns (right).

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- EM survey - Two high powered ground EM surveys were completed by GAP Geophysics - Moving In-Loop (MLEM): A total of 15 traverses, all 3.6 line kilometres of 200m square loops moving 100m spaced stations. 14 traverses collected with a 300m line spacing (1000n to 4900n), a 1.4 kilometre infill line was undertaken at 4150n (eastern end). - Fixed Loop (FLEM): A total of 3 traverses, all 1.2km long (3975n to 4175n) at 100m line and 50m station pacing; a centrally located 200m by 300m (XY) Transmitter loop. - Gravity survey -320 gravity stations have been collected with East-west orientation traverses, 1km line and 500m station spacing. In the centre of the survey area.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Not Applicable for electromagnetic (EM) survey.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not Applicable for electromagnetic (EM) survey.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	Not Applicable for electromagnetic (EM) survey.
Sub-sampling techniques and	If core, whether cut or sawn and whether quarter, half or all core taken.	Not Applicable for electromagnetic (EM) survey.

Criteria	JORC Code explanation	Commentary
sample preparation	- If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Not Applicable for electromagnetic (EM) survey.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	Not Applicable for electromagnetic (EM) survey.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- Not Applicable for electromagnetic (EM) survey. - EM data was collected using GDA94 (Zone 53). - Location data was collected using a differential GPS.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Two high powered ground EM surveys were completed by GAP Geophysics - Moving In-Loop (MLEM): A total of 15 traverses, all 3.6 line kilometres of 200m square loops moving 100m spaced stations. 14 traverses collected with a 300m line spacing (1000n to 4900n), a 1.4 kilometre infill line was undertaken at 4150n (eastern end). - Fixed Loop (FLEM): A total of 3 traverses, all 1.2km long (3975n to 4175n) at 100m line and 50m station pacing; a centrally located 200m by 300m (XY) Transmitter loop. Both surveys were completed using High Power transmitter; current for

Criteria	JORC Code explanation	Commentary
		MLEM 100A, for FLEM 180A. All data collected using 3 component EMIT SMART fluxgates (magnetic "B" field sensors). Using 0.5Hz frequency, recording high quality coherent and repeatable data past 350 msec. • Not applicable – data not used for resource estimation. • Not Applicable for electromagnetic (EM) survey.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Not Applicable for electromagnetic (EM) survey.
Sample security	• The measures taken to ensure sample security.	• Not Applicable for electromagnetic (EM) survey.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Not Applicable for electromagnetic (EM) survey.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The survey was undertaken on Exploration Licences 5077, 5199 and 5200 which are owned 100% by Monax Mining Limited. These 3 tenements are part of a farm-in agreement with Western Areas Limited. The tenements are partly located in Aboriginal Lands Trust (ALT), Yellabinna Regional Reserve and freehold land. The area outside of the ALT area is part of the Far West Native Title determination. • There are no known impediments to obtain a licence to operate in the area. Monax and Western Areas have commenced negotiations with the Aboriginal Lands Trust and the Far West Native Title Group.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Several companies have explored for coal, mineral sands and nickel in the area. Monax has reviewed this exploration data and no systematic approach in the search for Ni-Cu has been undertaken.
Geology	• Deposit type, geological setting and style of mineralisation.	• Intrusive Ni-Cu style mineralisation.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	• Not Applicable for electromagnetic (EM) survey.

Criteria	JORC Code explanation	Commentary
	- o easting and northing of the drill hole collar - o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - o dip and azimuth of the hole - o down hole length and interception depth - o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not Applicable for electromagnetic (EM) survey.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Not Applicable for electromagnetic (EM) survey.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Map showing location of EM survey area included in this report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Not Applicable for electromagnetic (EM) survey.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Data from previous exploration has been previously released..
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas,	• Monax/Western Areas will model newly acquired EM data to assist in outlining possible drilling targets.

Criteria	JORC Code explanation	Commentary
	<i>provided this information is not commercially sensitive.</i>	