



30 May 2016

Non-Renounceable Entitlement Issue

Monax Mining Limited (**Monax** or **the Company**) is pleased to announce that it will be undertaking a non-renounceable entitlement issue (**Rights Issue**) to raise approximately \$1.52 million (before costs) through an offer of up to a maximum of 151,805,313 ordinary fully paid shares (**New Shares**).

The funds raised by the Rights Issue, together with Monax's existing cash reserves will primarily be used for:

- Follow-up drilling and ongoing exploration activities at the Mt Ringwood Gold Project subject to results from the maiden drilling program;
- Surface sampling, mapping and drilling at the Bullock Creek Lithium Project;
- Investigation and drilling at the Croydon Gold Project; and
- Working capital purposes.

Monax has achieved significant milestones in the past 12 months whereby the Company has realigned its corporate focus to gold and lithium exploration.

Monax has recently commenced its maiden drilling program at the Mt Ringwood Gold Project following four successful sampling programs. Four rock-chip samples recorded >1,000 g/t of gold at the Great Northern mining leases (see ASX Release 26 October 2015 for details) and the impressive breadth of high-grade rock chip samples confirms the project's strong levels of prospectivity. The project area is underexplored and is located within historically prospective terrain in the Pine Creek gold camp.

Monax has also signed a binding term sheet to acquire EPM 26053 at Bullock Creek in northern Queensland. This tenement contains a reported lithium bearing lepidolite occurrence of 3.55% Li₂O (see ASX Release 17 May 2016 for details). Additionally, Monax has applied for three tenements which adjoin EPM 26053 on the basis that they contain the prospective Blackman Gap Complex, a geological unit which hosts lepidolite pegmatite.

The Rights Issue is being offered on the basis of one New Share for every two ordinary fully paid shares held in the Company on 3 June 2016 (**Record Date**) at an issue price of \$0.010 per share. The Rights Issue is partially underwritten.

Shareholders with an address in Australia or New Zealand on the Company's register at 7:00pm (AEST) on the Record Date will be eligible to participate in the Rights Issue (**Eligible Shareholders**). The Rights Issue price reflects an approximately 39.9% discount to the 10-day volume weighted average price (VWAP) of the Company's shares for the period ending on 27 May 2016.

The Directors of Monax reserve the right to place any shortfall at their discretion within three months after the close of the offer. Eligible Shareholders' entitlements pursuant to this Rights Issue are non-renounceable and accordingly Eligible Shareholders may:

- take up their rights in full or in part;
- do nothing in which case their rights will lapse; or
- take up their rights in full and apply for additional new shares.

Full details of the Rights Issue will be set out in the Prospectus lodged by the Company with ASIC and ASX on 30 May 2016. The shares under the Rights Issue will rank equally with existing ordinary shares on issue.

The proposed timetable for the Rights Issue is as follows:

Event	Timing
Announcement of Rights Issue	30 May 2016
Prospectus & Appendix 3B lodged with ASIC & ASX	30 May 2016
Notice of Offer sent to Shareholders	1 June 2016
Shares quoted on an 'ex' basis	2 June 2016
Record Date	3 June 2016
Despatch of Rights Issue Documents to Eligible Shareholders Offer Period Opens	7 June 2016
Offer Period Closes	24 June 2016
Shares quoted on a deferred settlement basis	27 June 2016
Notification of under-subscriptions to ASX (if any)	29 June 2016
Allotment date Deferred settlement ends	1 July 2016
Trading of New Shares on ASX commences	4 July 2016

Subject to the *Corporations Act 2001* and the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares. These dates are indicative only. The Company has decided that it is unreasonable to make the offer to shareholders who have a registered address in a country outside of Australia or New Zealand, having regard to the number of shareholders in such places, the number and value of the New Shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

If after the Closing Date, all allotted shares have not been subscribed for by Eligible Shareholders, the Directors of the Company may seek bids from shareholders, institutions and other prospective investors for the shares comprising the shortfall. Provision will be made for Eligible Shareholders to make application for additional shares beyond their entitlement on the Entitlement and Acceptance Form, which is expected to be despatched on 7 June 2016. Allocation of any or all shortfall shares remains at the discretion of the Board of Directors.

Yours faithfully,



Robert Kennedy
Chairman

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 engaged under a contract to provide services as Managing Director as required 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.