



# **Monax Mining Limited and Controlled Entities**

## **Consolidated Half Year Financial Report**

**31 December 2009**

### **CORPORATE DIRECTORY**

**Monax Mining Limited**

ACN 110 336 733  
ABN 96 110 336 733  
Incorporated in SA

**Registered Office**

140 Greenhill Road  
UNLEY SA 5061  
Telephone: (08) 8373 6271 / (08) 8373 5588

**Share Registrar**

Computershare Investor Services Pty Ltd  
Level 5, 115 Grenfell Street  
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Telephone: 1300 556 161 (within Australia)  
+61 3 9415 4000 (outside Australia)

Facsimile: +61 8 8236 2305

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**Auditor**

Grant Thornton  
Chartered Accountants  
67 Greenhill Road  
Wayville SA 5034

# Monax Mining Limited and Controlled Entities

## Directors' Report

The directors present their report together with the half-year financial report of Monax Mining Limited ("the Company") and its controlled entities ("Consolidated entity") for the period ended 31 December 2009 and the auditor's independent review report thereon.

### *Directors*

The names of the directors of the Company during the half-year and until the date of this report are:

Robert M Kennedy (*Non-Executive Chairman*)

Reginald G Nelson

Glenn S Davis

Neville F Alley

Gary M Ferris (*Managing Director – Appointed 1 September 2009*)

Michael P Schwarz (*Managing Director – Resigned 31 August 2009*)

### *Alternate Directors:*

Ian R Witton

Ewan J Vickery

### *Principal activities*

The consolidated entity's principal activity is mineral exploration.

### *Review and results of operations*

The six months to December 2009 saw Monax Mining Limited undertaking capital raisings in the form of a Share Purchase Plan, a Rights Issue and Placements to successfully raise \$4.3 million net of costs. In addition, \$3.9 million net of costs was raised by Marmota Energy Limited via a Share Purchase Plan and Placement.

Exploration continued on the Waddikee project in conjunction with a farm in agreement signed with OM Manganese Pty Ltd, and Monax completed an infill gravity survey on its Punt Hill tenement resulting in the identification of two new drill targets.

Marmota Energy Limited completed a drilling program on its Mulyungarie tenement. In addition, Marmota Energy Limited signed a farm in and joint venture agreement with Teck Australia Pty Ltd and its partners to explore for uranium on the Junction Dam tenement. An initial drilling program was completed on this project during the period with positive results received. Geophysical work commenced on the Melton Project on Yorke Peninsula which is under joint venture between Marmota and Monax.

The net loss after income tax for the half-year was \$620,446.

### *Likely developments*

Further information about likely developments in the operations of the Company and the expected results of those operations in future years have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

### *Competent Person Statement*

The information in the Half Year Financial Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets of Monax Mining Limited is based on information compiled by Mr G M Ferris, who is a Member of the Australian 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

## Monax Mining Limited and Controlled Entities

### Directors' Report (continued)

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Reserves" Mr Ferris consents to the inclusion of the information in this report in the form and context in which it appears.

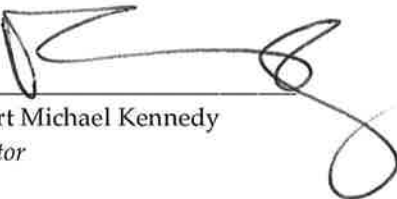
The information in the Half Year Financial Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets of Marmota Energy Limited is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time 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 Calandro consents to the inclusion of the information in this report in the form and context in which it appears.

#### *Auditors independence declaration*

Section 307C of the Corporations Act 2001 requires the Company's auditors, Grant Thornton, to provide the directors of Monax Mining Limited with an Independence Declaration in relation to the review of the half-year financial report. The Independence Declaration is set out on the following page and forms part of this Directors' Report.

Dated at Adelaide this 10 day of March 2010.

Signed in accordance with a resolution of the Board of Directors:

  
Robert Michael Kennedy  
Director



Grant Thornton

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Wayville SA 5034  
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Adelaide SA 5001

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF MONAX MINING LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Monax Mining Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON  
South Australian Partnership  
Chartered Accountants

P S Paterson  
Partner

Signed at Adelaide on this 10 day of March 2010

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**Monax Mining Limited and Controlled Entities**  
**Consolidated Statement of Comprehensive Income**  
**For the half-year-ended 31 December 2009**

	Note	Consolidated	
		Dec 2009	Dec 2008
		\$	\$
Other revenues from ordinary activities	3	270,632	437,165
Total other revenue		270,632	437,165
Administrative expenses		325,401	271,229
Consultancy expenses		102,577	75,325
Depreciation		48,058	38,389
Employment expenses		553,428	456,790
Occupancy expenses		4,074	8,730
Other expenses from ordinary activities		11,700	13,167
<b>Loss before income tax expense</b>		<b>(774,606)</b>	<b>(426,465)</b>
Income tax expense		(85,835)	(2,362)
<b>Loss for the period</b>		<b>(860,441)</b>	<b>(428,827)</b>
<b>Loss attributed to members of the parent entity</b>		<b>(860,441)</b>	<b>(428,827)</b>
<b>Total comprehensive income attributable to:</b>			
Members of the parent entity		(620,446)	(406,592)
Non-controlling interest		(239,995)	(22,235)
		<b>(860,441)</b>	<b>(428,827)</b>
Basic earnings per share (cents)		(0.701)	(0.061)
Diluted earnings per share (cents)		(0.699)	(0.061)

The accompanying notes form part of these financial statements.

**Monax Mining Limited and Controlled Entities**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2009**

	Note	Consolidated	
		Dec 2009	June 2009
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	6	3,309,308	2,216,680
Trade and other receivables		231,965	564,779
Financial assets	7	12,900,000	7,460,890
Other current assets		100,455	51,742
<b>Total current assets</b>		<b>16,541,728</b>	<b>10,294,091</b>
<b>Non-current assets</b>			
Plant and equipment		767,810	735,463
Investments		-	-
Exploration and evaluation expenditure		16,466,803	15,181,484
<b>Total non-current assets</b>		<b>17,234,613</b>	<b>15,916,947</b>
<b>Total assets</b>		<b>33,776,341</b>	<b>26,211,038</b>
<b>Current liabilities</b>			
Trade and other payables		412,021	294,867
Short term provisions		69,656	75,355
<b>Total current liabilities</b>		<b>418,677</b>	<b>370,222</b>
<b>Non-current liabilities</b>			
Capitalised lease incentive		76,199	86,789
Long term provisions		37,854	43,368
<b>Total non-current liabilities</b>		<b>114,053</b>	<b>130,157</b>
<b>Total liabilities</b>		<b>595,730</b>	<b>500,379</b>
<b>Net assets</b>		<b>33,180,611</b>	<b>25,710,659</b>
<b>Equity</b>			
Issued capital		18,095,397	13,866,800
Reserves		561,955	378,955
Retained earnings		(3,725,258)	(3,150,747)
		14,932,094	11,095,008
Non- controlling interests		18,248,517	14,615,651
<b>Total equity</b>		<b>33,180,611</b>	<b>25,710,659</b>

The accompanying notes form part of these financial statements

**Monax Mining Limited and Controlled Entities**  
**Consolidated Statement of Changes in Equity**  
**For the half-year ended 31 December 2009**

	Issued capital \$	Reserves \$	Retained earnings \$	Minority interests. \$	Total \$
<b>Balance at 1 July 2008</b>	13,872,313	314,840	(2,757,482)	14,743,774	26,173,445
Options issued during the period	-	64,115	-	23,750	87,865
Transaction costs (net of tax)	(5,513)	-	-	-	(5,512)
Total comprehensive income	-	-	(406,592)	(22,235)	(428,827)
<b>Balance as at 31 December 2008</b>	<b>13,866,800</b>	<b>378,955</b>	<b>(3,164,074)</b>	<b>14,745,289</b>	<b>25,826,971</b>
<b>Balance at 1 July 2009</b>	13,866,800	378,955	(3,150,747)	14,615,651	25,710,659
Proceeds from the issue of shares during the period	4,317,969	-	-	-	4,317,969
Movement in non-controlling interests			45,935	(45,935)	-
Proceeds from the issue of shares in subsidiaries (net of tax)	-	-	-	3,918,796	3,918,796
Options issued during the period	-	183,000	-	-	183,000
Transaction costs (net of tax)	(89,372)	-	-	-	(89,372)
Total comprehensive income	-	-	(620,446)	(239,995)	(860,441)
<b>Balance as at 31 December 2009</b>	<b>18,095,397</b>	<b>561,955</b>	<b>(3,725,258)</b>	<b>18,248,517</b>	<b>33,180,611</b>

The accompanying notes form part of these financial statements.

## Monax Mining Limited and Controlled Entities

### Consolidated Cash Flow Statement

For the half-year ended 31 December 2009

	Consolidated	
	Dec 2009	Dec 2008
	\$	\$
<b>Cash flows from operating activities</b>		
Cash payments in the course of operations	(944,735)	(600,941)
Cash receipts in the course of operations	4,877	75,000
Income tax rebate	314,848	-
Interest received	360,370	829,502
<b>Net cash provided by/(used in) operating activities</b>	<b>(264,640)</b>	<b>303,561</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	(7,216)	(351,761)
Payments for mining tenements and exploration	(1,262,105)	(3,519,005)
<b>Net cash provided by/(used in) investing activities</b>	<b>(1,269,321)</b>	<b>(3,870,766)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	4,317,969	-
Proceeds from issue of shares in subsidiaries (net of tax)	3,861,330	-
Payments associated with capital raising	(113,600)	(7,875)
<b>Net cash provided by/(used in) financing activities</b>	<b>8,065,699</b>	<b>(7,875)</b>
<b>Net increase/(decrease) in cash held</b>	<b>6,531,738</b>	<b>(3,575,080)</b>
<b>Cash at the beginning of the half-year</b>	<b>9,677,570</b>	<b>15,067,576</b>
<b>Cash at the end of the half-year</b>	<b>16,209,308</b>	<b>11,492,496</b>

The accompanying notes form part of these financial statements.



# Monax Mining Limited and Controlled Entities

## Condensed Notes to the Financial Statements

For the half-year ended 31 December 2009

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### 1 *Basis of preparation*

The half year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

It is recommended that the financial report be read in conjunction with the annual financial report for the year ended 30 June 2009 and any public announcements made by Monax Mining Limited and its controlled entities during the half year in accordance with continuous disclosure requirements of the ASX Listing Rules.

The accounting policies described in this report have been consistently applied by the entities in the consolidated group and are consistent with those in the 30 June 2009 financial report except for the adoption of the following new and revised Accounting Standards.

#### **Accounting Standards not Previously Applied**

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

#### *Presentation of Financial Statements*

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income; and
- other financial statements are renamed in accordance with the Standard.

#### *Operating Segments*

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the group's chief operating decision maker which, for the Consolidated entity, is the Board of Directors.

#### *Business Combinations and Consolidation Procedures*

Revised AASB 3 is applicable prospectively from 1 July 2008. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations which are expected to affect the Consolidated entity, include the following:

- All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method which prohibits the recognition of contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability. Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on

# Monax Mining Limited and Controlled Entities

## Condensed Notes to the Financial Statements

### For the half-year ended 31 December 2009

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consolidation. Changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments and are recognised through profit or loss unless the change relates to circumstances which existed at acquisition date.

- Unrecognised deferred tax assets of the acquiree may be subsequently realised within 12 months of acquisition date on the basis of facts and circumstances existing at acquisition date with a consequential reduction in goodwill. All other deferred tax assets subsequently recognised are accounted for through profit or loss.
- The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interests were allocated to the parent entity.
- Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

The half year report does not include full disclosures of the type normally included in an annual financial report.

#### 2 *Significant accounting policies*

The accounting policies applied by the consolidated entity in this consolidated half-year financial report are the same as those applied by the entity in its financial report as at and for the year ended 30 June 2009.

#### 3 *Other revenues from ordinary activities*

Included in other revenues from ordinary activities:

	Dec 2009 \$	Dec 2008 \$
Interest: other parties	265,755	437,165
Other revenue	4,877	-
	<u>270,632</u>	<u>437,165</u>

#### 4 *Contingent liabilities*

There have been no material changes to the aggregate of contingent liabilities since 30 June 2009 other than disclosed below:

In 2007, Marmosa Pty Ltd was acquired by Marmota Energy Limited from Monax Mining Limited. Revenue SA is currently considering whether stamp duty is payable on the basis that Marmosa Pty Ltd is a land rich company rather than payable on the shares transferred. The matter is being disputed and the maximum potential stamp duty liability is \$488,830.

#### 5 *Commitments*

There have been no material changes to commitments disclosed in the 30 June 2009 annual report.

**Monax Mining Limited and Controlled Entities**  
**Condensed Notes to the Financial Statements**  
**For the half-year ended 31 December 2009**

	Dec 2009	June 2009
	\$	\$
<b>6</b>		
<b><i>Cash and cash equivalents</i></b>		
Cash and cash equivalents comprise the following:		
Monax Mining Limited	2,262,017	1,057,171
Marmota Energy Limited	867,892	985,588
Groundhog Services Pty Ltd	179,399	173,921
	<u>3,309,308</u>	<u>2,216,680</u>

Monax Mining Limited does not have direct access to cash assets held by Marmota Energy Limited

**7** ***Financial assets***

Current financial assets comprise the following:

Monax Mining Limited	2,500,000	-
Marmota Energy Limited	10,400,000	7,460,890
	<u>12,900,000</u>	<u>7,460,890</u>

Monax Mining Limited does not have direct access to financial assets held by Marmota Energy Limited.

**8** ***Controlled entities***

(a) Entities forming part of the Monax Mining Limited consolidated group are as follows:

	Country of incorporation	Percentage owned (%)	
		Dec 2009	June 2009
<b>Parent entity:</b>			
Monax Mining Limited	Australia		
<b>Subsidiaries of Monax Mining Limited:</b>			
Marmosa Pty Ltd	Australia	24.1	29.8
Marmota Energy Limited*	Australia	24.1	29.8
Groundhog Services Pty Ltd	Australia	62.1	64.9

## **Monax Mining Limited and Controlled Entities**

### **Condensed Notes to the Financial Statements**

#### **For the half-year ended 31 December 2009**

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\* Monax Mining Limited holds, 24.1% of the issued capital of Marmota Energy Limited. In addition, four of the Company's Directors have been appointed to the Board of Marmota. As a result, the Company has been consolidated for the purposes of this half year financial report.

#### **9 *Operating Segments***

The Consolidated entity has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Consolidated entity has identified its operating segments to be Gawler Craton, Curnamona, Kangaroo Island and North Queensland based on different geological regions and the similarity of assets within those regions. This is the basis on which internal reports are provided to the Board of Directors for assessing performance and determining the allocation of resources within the Consolidated entity.

The Consolidated entity operates primarily in one business, namely the exploration of minerals.

# Monax Mining Limited and Controlled Entities

## Condensed Notes to the Financial Statements

For the half-year ended 31 December 2009

### 9 Operating Segments continued

Details of the performance of each of these operating segments for the six month periods ended 31 December 2009 and 31 December 2008 are set out below:

December 2009	Gawler Craton	Curnamona	Kangaroo Island	North Queensland	Total
	\$	\$	\$	\$	\$
<b>Segment Revenue</b>	-	-	-	-	-
<b>Segment Results</b>					
Gross Segment result before depreciation, amortisation and impairment	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Interest Income					265,755
Other revenue					4,877
Net financing costs					-
Other expenses					(1,045,238)
<b>Profit/(loss) before tax</b>					(774,606)
Income tax expense					(85,835)
<b>Net Profit after tax</b>					(860,441)
<b>December 2008</b>	<b>Gawler Craton</b>	<b>Curnamona</b>	<b>Kangaroo Island</b>	<b>North Queensland</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Segment Revenue</b>	-	-	-	-	-
<b>Segment Results</b>					
Gross Segment result before depreciation, amortisation and impairment	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Interest Income					437,165
Other revenue					-
Net financing costs					-
Other expenses					(863,630)
<b>Profit/(loss) before tax</b>					(426,465)
Income tax expense					(2,362)
<b>Net Profit after tax</b>					(428,827)

**Monax Mining Limited and Controlled Entities**  
**Condensed Notes to the Financial Statements**  
**For the half-year ended 31 December 2009**

**9 Operating Segments continued**

December 2009	Gawler Craton	Curnamona	Kangaroo Island	North Queensland	Total
	\$	\$	\$	\$	\$
<b>Segment Assets</b>	13,240,428	1,096,992	2,124,010	5,373	16,446,803
Total corporate and unallocated assets					17,329,538
<b>Total consolidated assets</b>					<u>33,776,341</u>
<b>June 2009</b>	<b>Gawler Craton</b>	<b>Curnamona</b>	<b>Kangaroo Island</b>	<b>North Queensland</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Segment Assets</b>	12,659,998	492,727	2,028,759	-	15,181,484
Total corporate and unallocated assets					11,029,554
<b>Total consolidated assets</b>					<u>26,211,038</u>

**10 Issued Capital**

	Dec 2009	June 2009
	\$	\$
<b>Issued and paid-up share capital</b>		
128,219,997 (June 2009: 70,647,057) ordinary shares, fully paid	18,095,397	13,866,800
<b>Ordinary shares</b>		
<b>Balance at the beginning of the period</b>	13,866,800	13,872,313
Shares issued during the year		
- 34,887,449 shares issued to shareholders as part of a Share Purchase Plan and Placement at \$0.075	2,616,558	-
- 22,685,491 shares issued to shareholders as part of a Rights Issue and Placement at \$0.075	1,701,411	-
Less transaction costs arising from issue of shares net of tax	(89,372)	(5,313)
<b>Balance at end of period</b>	<b>18,095,397</b>	<b>13,866,800</b>

**Monax Mining Limited and Controlled Entities**  
**Condensed Notes to the Financial Statements**  
**For the half-year ended 31 December 2009**

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**10** *Issued Capital continued*

As at 31 December 2009, there were 18,667,824 (June 2009: 4,325,000) unissued shares for which the following options were outstanding.

- 11,342,824 listed options exercisable at \$0.15 by 30 November 2012
- 3,000,000 unlisted options exercisable at \$0.10 by 31 July 2012
- 2,500,000 unlisted options exercisable at \$0.40 by 30 June 2010
- 750,000 unlisted options exercisable at \$0.26 by 12 April 2011
- 450,000 unlisted options exercisable at \$0.666 by 14 December 2012
- 365,000 unlisted options exercisable at \$0.246 by 18 July 2013
- 260,000 unlisted options exercisable at \$0.0517 by 23 December 2013

**11** *Events subsequent to balance date*

There has not arisen in the interval between 31 December 2009 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

# Monax Mining Limited and Controlled Entities

## Directors' Declaration

For the half-year ended 31 December 2009

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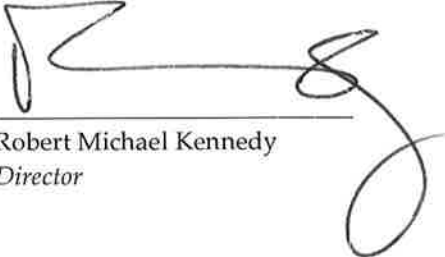
### Directors' declaration

The Directors of the Company declare that:

- (a) the half-year financial statements and notes, set out on pages 5 to 15, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2009 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Adelaide this 10 day of March 2010.

This declaration is made in accordance with a resolution of the directors:



Robert Michael Kennedy  
*Director*



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## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MONAX MINING LIMITED**

We have reviewed the accompanying half-year financial report of Monax Mining Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



# Grant Thornton

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MONAX MINING LIMITED Cont**

### **Auditor's responsibility Cont**

As the auditor of Monax Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Monax Mining Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

GRANT THORNTON  
South Australian Partnership  
Chartered Accountants

P S Paterson  
Partner

Signed at Adelaide on this 10 day of March 2010