



MONAX
MINING LIMITED
ABN: 96 110 336 733

Exploration Office
Unit 2 81 Harrison Road
Dudley Park
SA 5008

Tel: +61 8 8245 4900
Fax: +61 8 8245 4999
www.monaxmining.com.au

For immediate release
30 January 2014

Monax Mining Limited

Quarterly Report

For the quarter ended 31 December 2013

HIGHLIGHTS

- ***Punt Hill Copper-Gold Project –***
 - ❖ Antofagasta elects to proceed to Phase 2 of the Punt Hill Farm-In Option Agreement.
- ***Millers Creek Designated Project (Copper-Gold) –***
 - ❖ Approval of Millers Creek Designated Project (DP) under the Strategic Alliance with Antofagasta.
 - ❖ Memorandum of Understanding (MOU) signed with Maximus Resources Ltd for four tenements included within Millers Creek DP.
 - ❖ First time release of new SA government funded and detailed gravity data for Woomera Prohibited Area (WPA).
 - ❖ WPA dataset highlights seven targets within Millers Creek DP area.
 - ❖ Monax to commence infill gravity survey in late January 2014.
- ***Monax / Antofagasta Strategic (Copper) Alliance –***
 - ❖ Alliance continues to review potential copper projects in South Australia.

Corporate

In the three months to 31 December 2013, Monax Mining Limited (“Monax”) (ASX:MOX) continued to focus on assessing the newly defined JORC Inferred Mineral Resource for the Wilclo South graphite deposit at Waddikee on SA’s Eyre Peninsula, reviewing projects within the Strategic Alliance with Antofagasta (“Alliance”), and continued to review and plan the next phase of exploration for the Punt Hill project.

During the quarter a wholly owned subsidiary of Antofagasta plc (“Antofagasta”) advised Monax that it is proceeding to the next stage of a Farm-In Option Agreement at the Punt Hill copper-gold project in South Australia. As part of the option to proceed to the next phase, Monax and Antofagasta agreed to change the terms of the original Agreement, with Antofagasta required to spend Phase 2 expenditure of US\$5 million over four years, instead of the original two year requirement to earn a 70% interest in the project.

During the quarter, Monax reported the establishment of the Millers Creek DP under the Strategic Alliance with Antofagasta. The Millers Creek DP includes three Monax Alliance tenements and four Maximus Resources Limited (“Maximus”) (ASX:MXR) tenements, under a Memorandum of Understanding (MOU) between Alliance and Maximus.

After a review of the Waddikee graphite project, Monax has elected to either seek a partner to assist in moving the project forward or sell the project to allow the Company to focus on its copper projects. During the September 2013 quarter, Monax announced its maiden JORC Inferred Mineral Resource for the Wilclo South deposit.

Monax during the quarter sold approximately five million ordinary shares that it held in ASX-listed uranium and base metals explorer, Marmota Energy Ltd (“Marmota”). The share sale proceeds have been allocated towards working capital.

During the quarter, Monax raised approximately \$117,000 via its Rights Issue.

As at 31 December 2013, Monax had a cash balance of \$1.3 million. During the quarter \$282,000 was spent on exploration on projects.

Exploration

South Australian projects

Monax has seven South Australian projects (Figure 1).

1. **Punt Hill – copper-gold (farm-in with Antofagasta).**
2. **Monax | Antofagasta Strategic Alliance (includes Millers Creek Designated Project).**
3. **Waddikee – graphite, manganese and iron.**
4. **Phar Lap – copper-gold.**
5. **Yorke Peninsula – copper-gold (includes Melton JV with Marmota Energy).**
6. **Western Gawler Craton – nickel-copper.**
7. **Reedy Lagoon – copper-gold (term sheet signed with FMG Resources Pty Ltd).**

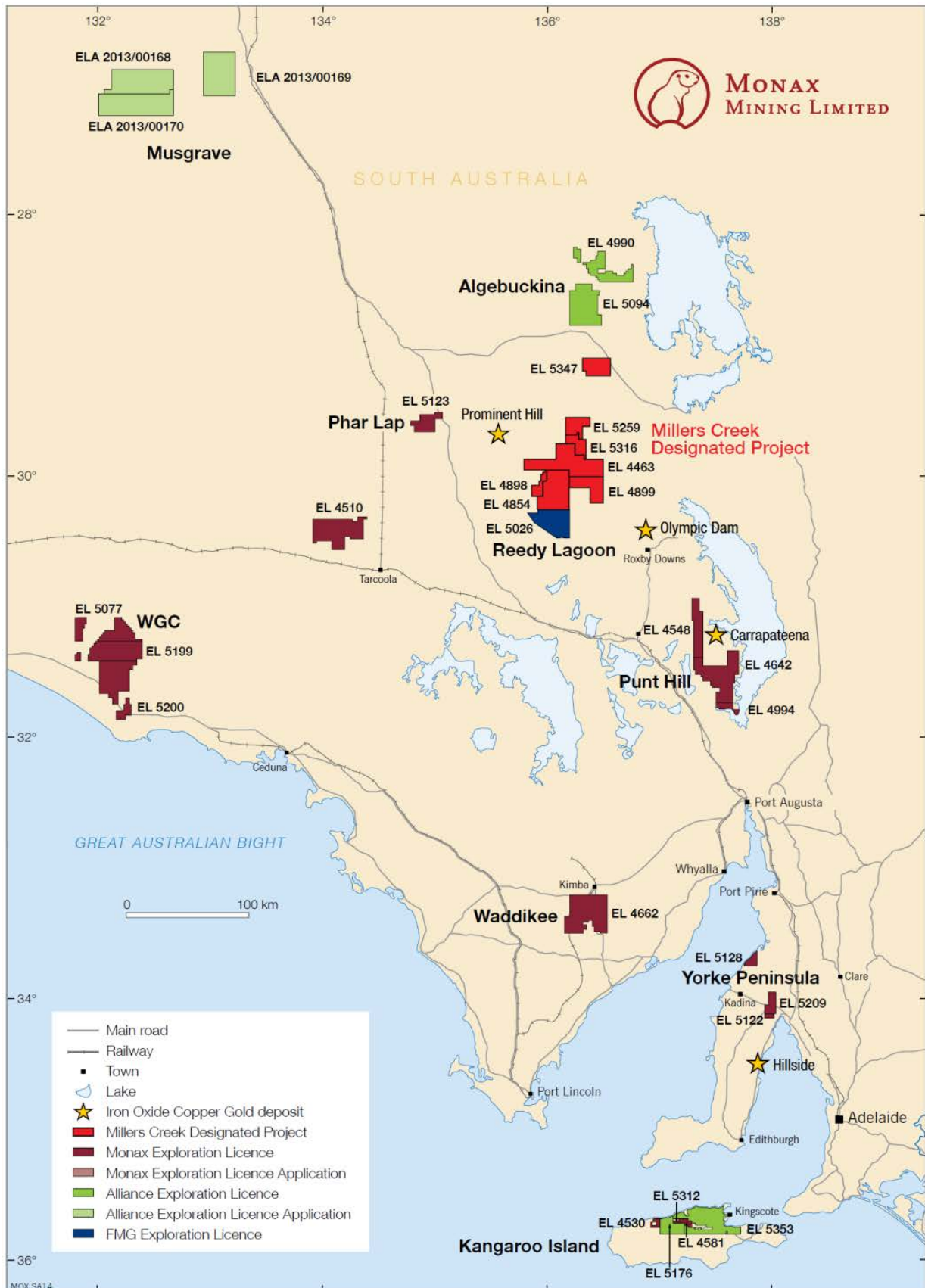


Figure 1. Location of Monax's projects.

***Punt Hill Project – copper-gold
(Monax 100%; Antofagasta earning 51%)***

The Punt Hill Project is located within the highly prospective Olympic IOCG province on the eastern margin of the Gawler Craton in northern South Australia. This province is host to the world class Olympic Dam and Prominent Hill mines, as well as the Carrapateena and Hillside deposits.

The Punt Hill Project is subject to a farm-in agreement with a wholly-owned subsidiary of major Chilean copper producer Antofagasta plc (“Antofagasta”).

Antofagasta has invested approximately US\$3.9 million in the Project since August 2010. Under the Punt Hill Farm-In Agreement, Antofagasta can earn a 51% interest in the Project upon reaching US\$4 million expenditure in the Project.

During the quarter, Antofagasta advised Monax that it has elected to proceed to Phase 2 of the Punt Hill Farm-In Option Agreement. Antofagasta has approved the next phase of exploration including further drilling, which when started, will trigger Phase 2 of the Agreement.

Under the original terms of the Agreement, Antofagasta can earn an additional 19% equity in the project (for a total of 70%) by expending a further US\$5 million on exploration and development of the project tenements over two years. If a development decision is made, Antofagasta will pay Monax a success fee of US\$10 million.

Monax and Antofagasta have renegotiated the terms for Phase 2 to increase the time frame from two to four years.

Further, under the initial Agreement, Antofagasta was to provide a scoping study at the end of Phase 2. This requirement has been removed as part of the renegotiated terms.

All other conditions - including required expenditure and the success fee - remain the same.

Monax and Antofagasta will finalise the next exploration program at the Technical Committee Meeting, scheduled for February 2014.

Monax | Antofagasta Strategic Alliance – copper

During the previous quarter, Antofagasta approved the extension of the Strategic Alliance between the two parties – focused on identifying copper projects in South Australia for development - for a further year.

Under the terms of the additional year, Antofagasta will provide Monax with up to a further US\$400,000 to continue to review potential copper projects within South Australia.

In November 2011, Monax signed a two-year strategic alliance with Antofagasta, under which Antofagasta provided US\$1 million to Monax over two years for target-generation and exploration within South Australia.

Monax continues to review potential copper projects within South Australia.

Millers Creek Designated Project

During the quarter, Monax announced the establishment of a Designated Project (“Millers Creek DP”) with its Strategic Alliance partner, Antofagasta, via its wholly-owned subsidiary, Monax Alliance Pty Ltd.

The Millers Creek DP comprises three Alliance tenements together with four Maximus tenements located within the Woomera Prohibited Area (WPA) totalling 3165km² (Figure 1).

Alliance recently announced the signing of a Memorandum of Understanding (MOU) with Maximus for the Billa Kalina project (see ASX Release 4 November, 2013).

Combined, the seven tenements represent a significant landholding within the Olympic iron-oxide copper-gold (IOCG) Province.

The Millers Creek area is located between Olympic Dam and Prominent Hill, within the Olympic IOCG Province and has not been subject to extensive mineral exploration, prior to the changes in access restrictions in the WPA..

SA’s Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) recently completed a detailed regional gravity survey over part of the WPA comprising >34,000 new gravity stations.

This major new gravity survey is the first such survey in more than 30 years to target IOCG deposits within the area. The data has the potential to significantly enhance the geological understanding of the region.

The new gravity data has identified seven gravity features that represent potential IOCG targets within the Millers Creek DP area (Figure 2). Alliance has completed all necessary access requirements and will commence a detailed gravity survey over the selected target areas in early 2014.

The gravity survey will take approximately 3-4 weeks to complete and modelling of the data will be undertaken upon receipt of the final gravity data.

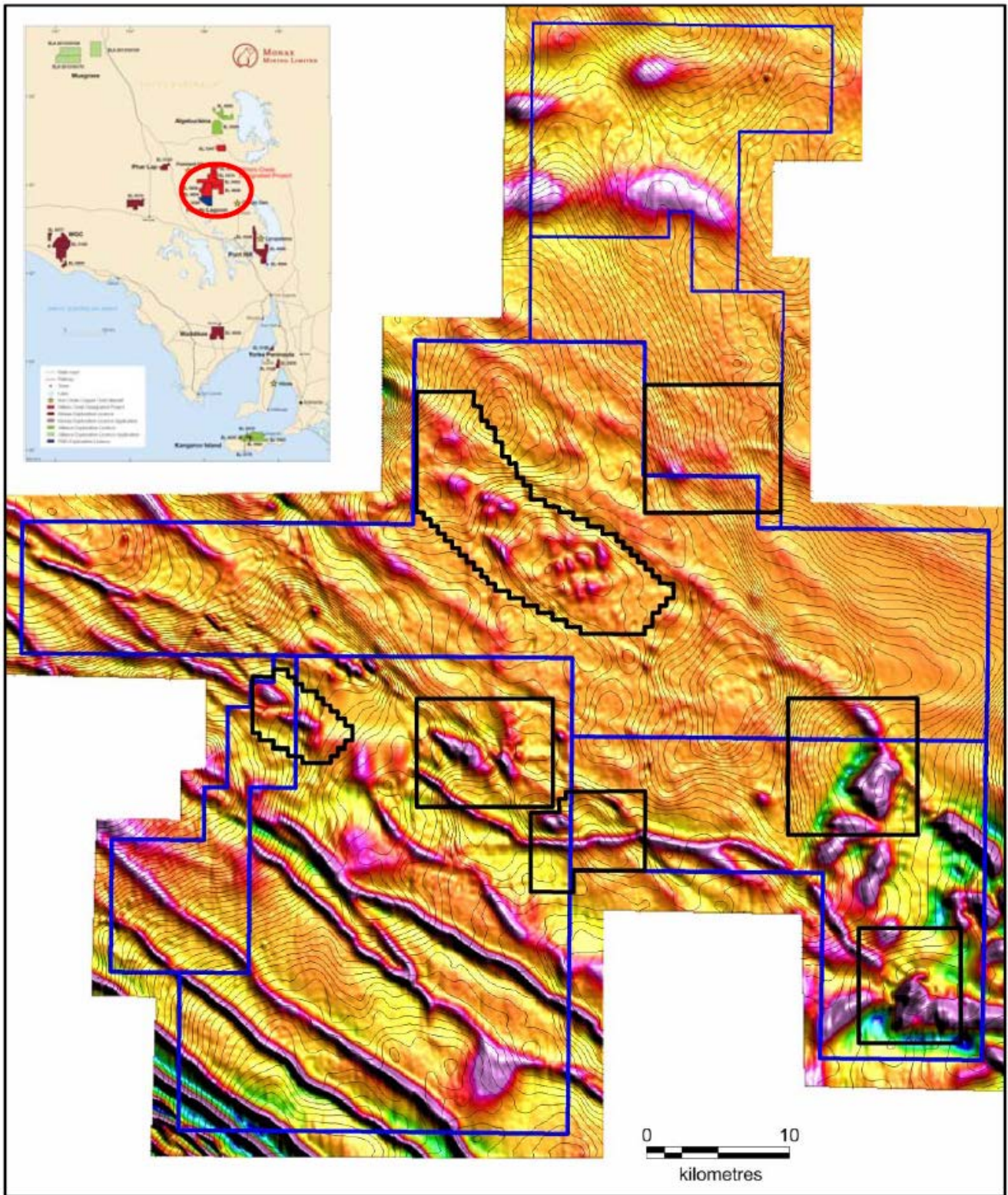


Figure 2. Gravity targets within the Millers Creek Designated Project area. Background image reprocessed magnetic image with gravity contours derived from recent DMITRE WPA 1km x 1km gravity survey. Black boxes represent initial target areas.

Alliance Projects

Currently, Monax has two projects under review (see Figure 1) at:

1. Kangaroo Island
2. Musgrave

Kangaroo Island Project

During the quarter, EL 5353 was granted. Alliance is planning a detailed gravity survey over an interpreted geophysical target to commence in February 2014.

Musgrave Project

During the quarter, Alliance increased its project landholding with the addition of three new Exploration Licence Applications within the tightly-held Musgrave Province, located in South Australia's Far North (Figure 1).

The three tenements were recently released by DMITRE under the Exploration Release Area system and cover an area in total of 3396km² within the eastern part of the Musgrave Province. Alliance will be targeting copper and copper-nickel deposits.

ELA 2013/169 contains several known copper prospects and historical company mapping and rock chip sampling reported anomalous copper rock chip values (see ASX Release 11 November 2013).

The two projects noted above are still at an early stage of evaluation by Alliance and have not yet been approved as Designated Projects by Antofagasta.

Waddikee Project – Graphite (Monax 100%)

Monax continued to review options to progress the Waddikee Graphite project located on Eyre Peninsula, South Australia.

Monax announced in August 2013 its maiden JORC Inferred Mineral Resource for the Wilclo South deposit which comprises a total combined Inferred resource of 6.4 million tonnes grading 8.8% total graphitic carbon (TGC) for the 550,000 tonnes of contained graphite using a 5% cut-off. The resource includes a high grade component of **1.75 Mt grading 12.5% TGC** using a 10% TGC cut-off (see ASX Release 26 August 2013 for details relating to JORC Inferred Mineral Resource). (Monax is not aware of any new information or data that materially affects the information included in the ASX Release dated 26 August 2013 and all material assumptions underpinning the JORC Inferred Mineral Resource for the Wilclo South Deposit continue to apply and have not materially changed).

Monax listed the project on a well known online site and is seeking interest in either a joint venture or sale of the project.

Other Projects

No work was undertaken on Monax's other projects.

For further information please contact:

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

'The information in the Quarterly Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets 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.'

Information in this report that relates to Mineral Resources was compiled by Ms Sharron Sylvester, who is a Member of the Australian Institute of Geoscientists (RPGEO 10125). Ms Sylvester is a full-time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as a Competent Person as defined by the JORC Code, 2012 and consents to the release of the information compiled in this report in the form and context in which it appears.

Tenement Holdings as of 31 December 2013

During the quarter, Monax Alliance relinquished EL 4992 and EL 4993. EL 5347 and EL 5353 were granted to Monax Alliance during the quarter. During the quarter, Monax Alliance applied for ELA 2013/168, ELA 2013/169 and ELA 2013/170. Below is a Table of Monax Mining Limited and Monax Alliance Pty Ltd current tenement holdings as of December 31, 2013.

Monax Mining Limited

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Punt Hill	EL 4642	Granted	100%	JV with Antofagasta	Monax Mining
Yeltacowie	EL 4548	Granted	100%	JV with Antofagasta	Monax Mining
Whittata	EL 4994	Granted	100%	JV with Antofagasta	Monax Mining
Waddikee	EL 4662	Granted	100%		Monax Mining
Melton	EL 5122	Granted	50% of all minerals	JV with Marmota Energy	Marmosa P/L*
North Melton	EL 5209	Granted	50% of all minerals	JV with Marmota Energy	Marmota Energy
Webling Bay	EL 5128	Granted	100%		Monax Mining
Western River	EL 5312	Granted	100%		Monax Mining
Western River Cove	EL 4530	Granted	100%		Monax Mining
Parndana	EL 4581	Granted	100%		Monax Mining
Ambrosia	EL 4510	Granted	50% of all minerals	JV with Marmota Energy	50% Monax; 50% Marmosa P/L
Phar Lap	EL 5123	Granted	Monax 100% interest in all mineral rights excluding uranium. Monax 25% interest in uranium mineral rights.	JV with Marmota Energy	Marmosa P/L
Mulyungarie	EL 5124	Granted	Monax 100% interest in all mineral rights excluding uranium. Monax 25% interest in uranium mineral rights	JV with Marmota Energy	Marmosa P/L
Nullarbor	EL 5077	Granted	100%		Monax Alliance P/L
North Yalata	EL 5199	Granted	100%		Monax Alliance P/L
East Yalata	EL 5200	Granted	100%		Monax Alliance P/L

* Marmosa Pty Ltd (a wholly-owned subsidiary of Marmota).

Monax Alliance Pty Ltd

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Douglas Creek	EL 5094	Granted	Monax 49%; Antofagasta 51%	JV with Antofagasta	Monax Alliance P/L
Old Umbum	EL 4990	Granted	Monax 49%; Antofagasta 51%	JV with Antofagasta	Monax Alliance P/L
Parndana	EL 5353	Granted	100%		Monax Alliance P/L
West Parndana	EL 5176	Granted	100%		Monax Alliance P/L
Hunts Bore	EL 5259	Granted	100%		Monax Alliance P/L
Dermody Bore	EL 5316	Granted	100%		Monax Alliance P/L
Margaret Dam	EL 5347	Granted	100%		Monax Alliance P/L
Kulitjara	ELA 2013/168	Application	100%		Monax Alliance P/L
Anmuryinna	ELA 2013/169	Application	100%		Monax Alliance P/L
Poole Hill	ELA 2013/170	Application	100%		Monax Alliance P/L

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Monax Mining Limited

ABN

96 110 336 733

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(282)	(656)
(b) development	-	-
(c) production	-	-
(d) administration	(289)	(461)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
Cash call contributions under JV agreements	473	473
Other	5	27
Net Operating Cash Flows	(88)	(601)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	(2)
(c) other fixed assets	-	(14)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	136	336
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	104	116
1.12 Other (provide details if material)	-	-
Net investing cash flows	240	436
1.13 Total operating and investing cash flows (carried forward)	152	(165)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	152	(165)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	118	118
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Costs from issue of shares, options etc.	(22)	(36)
	Net financing cash flows	96	82
	Net increase (decrease) in cash held	248	(83)
1.20	Cash at beginning of quarter/year to date	1,044	1,375
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,292	1,292

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	164
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation), legal fees paid to a legal firm in which a director is a partner, contributions to Joint Venture expenditure made to a related party and service fee payments to an associated entity.

The amount at 1.24 above represents costs to be recovered in relation to shared facilities from a related entity and provision of exploration management services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Marmota Energy Limited pursuant to the Farm-In and Joint Venture Agreements for EL 4510 (formerly EL 3358), EL 5124 (formerly EL 3910), EL 5122 (formerly EL 3911) and EL 5209 (formerly EL 4000) has incurred on an accruals basis \$24,719 in the quarter ending 31 December 2013.

Antofagasta Minerals S.A. pursuant to the Farm-In Option Agreement – Punt Hill Project for EL 4642 and EL 4548 has incurred on an accruals basis \$51,062 in the quarter ending 31 December 2013.

Monax Alliance Pty Ltd on behalf of Monax Mining Limited and Antofagasta Minerals Adelaide Pty Ltd has incurred on an accruals basis approximately \$73k for the Algebuckina Designated Project (EL 5094) and the Millers Creek Designated Project (EL 4463, EL 5259, EL 5347, EL 5316, EL 4899, EL 4898, EL 4854).

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	400

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	675	427
5.2 Deposits at call	615	615
5.3 Bank overdraft	-	-
5.4 Other (provide details)	2	2
Total: cash at end of quarter (item 1.22)	1,292	1,044

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL 4992 EL 4993	100% 100%	0% 0%
6.2	Interests in mining tenements acquired or increased	EL 5347 EL 5353 ELA 2013/00168 ELA 2013/00169 ELA 2013/00170	100% 100% 0% 0% 0%	100% 100% 100% 100% 100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	154,147,257	154,147,257		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	3,932,454	3,932,445	\$0.03	\$0.03
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	425,000 225,000 325,000	Nil Nil Nil	<i>Exercise Price</i> \$0.0917 \$0.051 \$0.053	<i>Expiry Date</i> 05/03/2015 28/07/2016 23/07/2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	10,000	Nil	\$0.0517	23/12/2013
7.11 Debentures <i>(totals only)</i>				


+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act **or other standards acceptable to ASX** (see note 4).
- 2 This statement does ~~/does not*~~ (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date:30/01/2014.....
(~~Director~~/Company secretary)

Print name: Virginia Suttell

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.