



**MONAX**  
**MINING LIMITED**  
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27 October 2017

# Monax Mining Limited

## Quarterly Report

For the quarter ended 30 September 2017

### HIGHLIGHTS

#### Corporate

- Change of management with Ian Gordon appointed Managing Director on 1 October 2017
- A total of \$502,175 raised through placement to sophisticated investors in September to fund initial drilling program at Western Queen

#### Western Queen Gold Project

- Agreement reached to earn a 60% interest in the Western Queen project
- Drilling program planned to commence in November 2017
- Monax expects to be able to estimate a gold Mineral Resource once drilling is completed

#### Queensland Gold Projects

- Review of Queensland gold projects underway with the company actively looking at divestment opportunities

## **Corporate**

In the three months to 30 September 2017, Monax Mining Limited (**Monax** or the **Company**) (ASX:MOX) has moved its focus to more advanced projects, which resulted in an agreement to earn an interest in the Western Queen gold project (WA) from Ramelius Resources Limited.

Mr Gary Ferris stepped down as Managing Director in August 2017 and Mr Ian Gordon was appointed Managing Director on 1 October 2017.

In September, the Company completed a placement of shares to raise \$502,175, which will be used to fund an initial drilling program at Western Queen and for working capital.

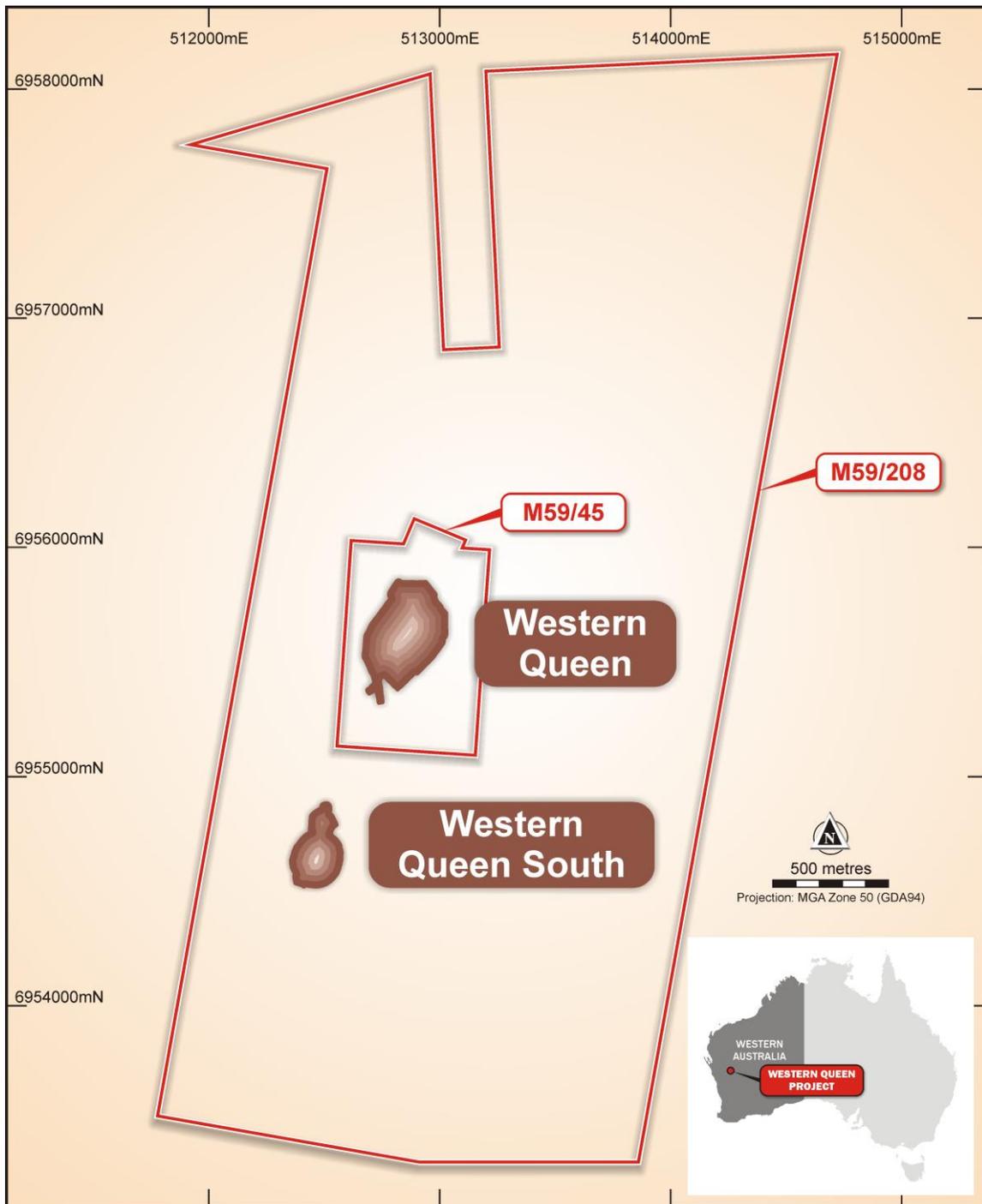
As at 30 September 2017, Monax has a cash balance of \$0.619million.

## **Exploration**

### **Western Queen Gold Project**

During the quarter the Company entered into a binding agreement with Ramelius Resources Limited to earn a 60% interest in the Western Queen gold project, by expenditure of \$2 million over three years. Monax has a minimum commitment of \$400,000 over the first year.

The Western Queen project is located 90km's north-west of Mt Magnet in the Murchison mineral field (Figure 1).



**Figure 1: Western Queen location plan**

Both Western Queen and Western Queen South have a number of ore grade intersections below the open pits which indicate that an underground Mineral Resource can be estimated with further drilling. Details of the previous drilling are provided in the Company's ASX announcement dated 5 September 2017.

In September Monax's geological consultants completed a site visit to Western Queen to review existing drill core and plan drilling that, when completed, will allow the Company to estimate a Mineral Resource at the project.

A program of work was lodged with the Dept. of Mines Industry Regulation and Safety, which once approved, will allow the drilling to commence. At this time it is expected that the drilling will commence in November. A total of four diamond drill holes to a maximum depth of 400m are planned to confirm and extend the mineralisation at Western Queen South (Figure 2).

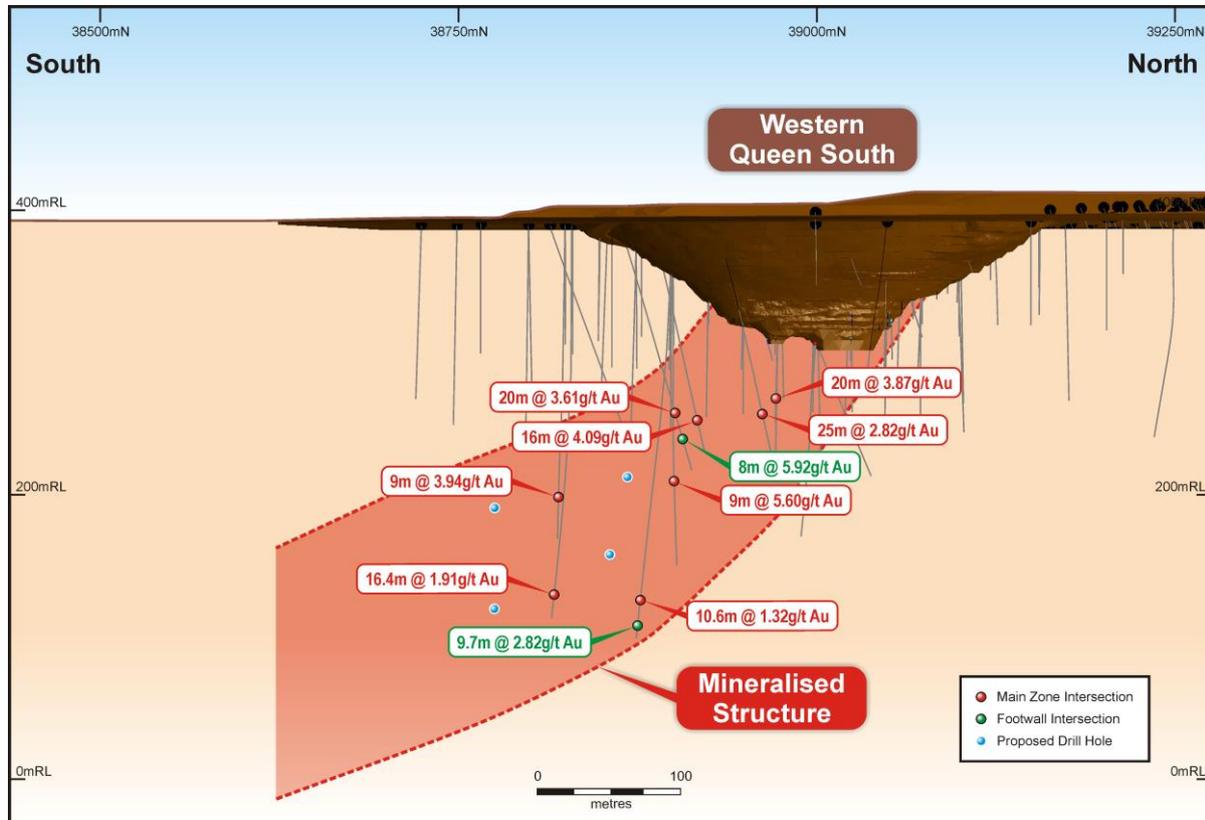


Figure 2: Western Queen South deposit showing planned drilling

Once the drilling is completed and positive assay results are received, Monax's consultants will be able to estimate a Mineral Resource for the project.

Further programs will be planned for Western Queen once the resource estimate is completed.

### Percyville Gold Project

No work was completed at the Percyville project during the Quarter. The Company is currently reviewing the results of recent exploration.

### Croydon Gold Project

No work was completed at the Croydon project during the Quarter. The Company is currently intending to divest this project.

**For further information please contact:**

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Managing Director  
Monax Mining  
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*'The information in the Quarterly Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets is based on information compiled by Mr Paul Payne, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a consultant to the Company 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 Payne consents to the inclusion of the information in this report in the form and context in which it appears.'*

## Tenement Holdings as of 30 June 2017

Below is a table of Monax Mining Limited's and Monax Alliance Pty Ltd's current tenement holdings as of 30 September 2017.

### Monax Mining Limited

Tenement	No.	Status	Monax Interest	Details	Tenure holder
Yeltacowie	EL 5729	Granted	100%		Monax Mining
Melton	EL 5122	Granted	25% of all minerals	JV with Marmota Energy	Marmosa P/L*
North Melton	EL 5209	Granted	25% of all minerals	JV with Marmota Energy	Marmota Energy
Bowilia Hill	EL 5669	Granted	100%		Monax Mining
Croydon#1	EPM 26038	Granted	100%		Monax Mining
Croydon#2	EPM 26203	Granted	100%		Monax Mining

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

### Monax Alliance Pty Ltd

Tenement	No.	Status	Monax Interest	Details	Tenure holder
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 and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Monax Mining Limited

### ABN

96 110 336 733

### Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	
1.2 Payments for		
(a) exploration & evaluation	(131)	(131)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(287)	(287)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(416)</b>	<b>(416)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	31	31
	(b) tenements (see item 10) *		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>31</b>	<b>31</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	552	552
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(49)	(49)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>503</b>	<b>503</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	501	501
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(416)	(416)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	31	31
4.4	Net cash from / (used in) financing activities (item 3.10 above)	503	503
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>619</b>	<b>619</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	452	335
5.2 Call deposits	167	166
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>619</b>	<b>501</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	46
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Non-Executive Directors fees and Executive Director's consultancy.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	320
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	124
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>444</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: ..27 / 10 / 2017.....

Print name: Kaitlin Smith.....

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.