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ASX RELEASE

Significant anomaly discovered at Monax's Polinga Manganese Prospect in South Australia.

HIGHLIGHTS

- **Induced Polarisation (IP) survey identifies significant bedrock anomaly which may represent a new manganese horizon at Monax's Polinga Manganese Prospect below thin alluvial soil cover.**
- **IP survey recommences to complete Jamieson Tank survey.**
- **"Drill ready" targets identified with drilling to commence in late February 2012.**

Monax Mining Limited (ASX:MOX) today announced it had identified a significant new chargeability anomaly - which may represent a newly-discovered manganese horizon (Figure 2) - at its Polinga Manganese Prospect, which forms part of the Company's Waddikee Project on Eyre Peninsula in South Australia (Figure 1). The anomaly was detected during an expanded Gradient Array Induced Polarisation (GAIP) survey the Company undertook after an original GAIP survey - planned to include only the area at Polinga where previous drilling was undertaken by Monax – uncovered a significant chargeability anomaly on the northern boundary of the survey.

Monax decided to expand the GAIP survey northwards to further define the data it had collected. Prior to the current IP survey, Monax's drilling to date had yet to define a coherent body of manganese mineralisation at Polinga.

The initial drilling was based on mapping and sampling of manganese float within cultivated paddocks (Plate 1).

The expanded IP survey has now clearly defined two major bedrock chargeable features which may represent manganese mineralisation, significantly enhancing the potential of the area. Figure 3 shows a detailed view of the previous Monax drilling at Polinga where two of the 17 holes reported significant intercepts of manganese (PRC03 and PRC10 – see Table 1).

Hole PRC03 - located within the southernmost chargeability feature - reported two intersections of manganese (6m @ 12.5% Mn and 7m @ 15.2% Mn – see Table 1). Hole PRC10 reported 14m @ 10.8% Mn. Holes PRC04 and PRC11 are located on the margins of the chargeability features and report low grade intercepts of manganese (see Figure 3 & Table 1).

Intersections of >5m @ >14% Mn are considered potentially economically exploitable, should enough volume be identified.

"The new anomaly defined to the north of the previous drilling at Polinga represents a genuine target for manganese, and the next phase of drilling will target this feature," Monax Mining Managing Director, Mr Gary Ferris said.

"The correlation between the previous drilling and the new IP data provides encouragement that this newly defined anomaly could potentially represent a new manganese horizon," he said.

"The previous IP survey at our Hodgins Prospect successfully showed the high grade manganese intersected in the drilling undertaken in April 2011 correlated with the GAIP chargeability response, providing a level of confidence for the new anomaly at Polinga."

Mr Ferris said drilling is planned to commence in late February 2012 based on the results of the IP surveys, with separate drilling programs scheduled for Monax's Hodgins, Jamieson Tank and Polinga prospects.

The GAIP survey at Jamieson Tank was only partially completed in December 2011, delayed by the late harvest of wheat crops as a result of unseasonal wet weather. The IP crew recommenced the survey at Jamieson Tank today and the survey will be completed by mid January 2012.

The Waddikee Project is the subject of a farm-in agreement with OM (Manganese) Ltd (OMM), a wholly-owned subsidiary of OM Holdings Limited (ASX:OMH). OMM is required to fund A$2 million over four years to acquire a 60% participating interest for manganese and iron discovered within the project.

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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 2004 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.

Table 1: Summary of best manganese results for the Polinga prospect.

Drill Hole No.	Best Manganese Interval
PRC01	NSI
PRC02	NSI
PRC03	6m @ 12.5% Mn (23-29m) & 7m @ 15.24% Mn (30-37m)
PRC04	1m @ 7.73% Mn (53-54m)
PRC05	NSI
PRC06	NSI
PRC07	NSI
PRC08	4m @ 7.96% Mn (30-34m)
PRC09	NSI
PRC10	14m @ 10.8% Mn (46-60m)
PRC11	4m @ 7.8% Mn (26-30m)
PRC12	6m @ 9.4% Mn (26-32m)
PRC13	NSI
PRC14	NSI
PRC15	NSI
PRC16	NSI
PRC17	NSI

Mn cut off 7%; NSI = no significant intervals.

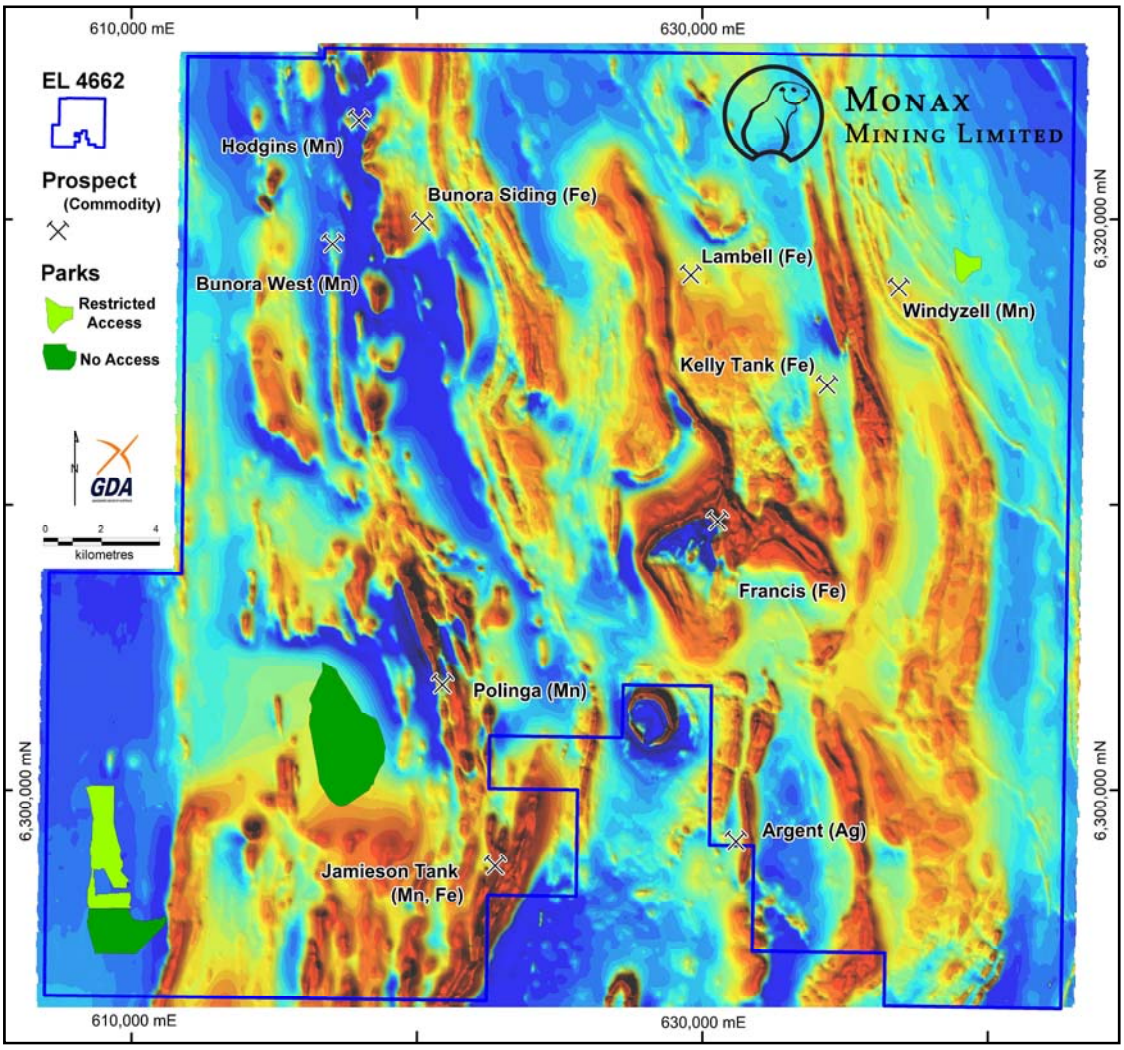

Figure 1. Waddikee project, Eyre Peninsula, South Australia. Background image regional aeromagnetic data.

Plate 1: Manganese from Polinga area.

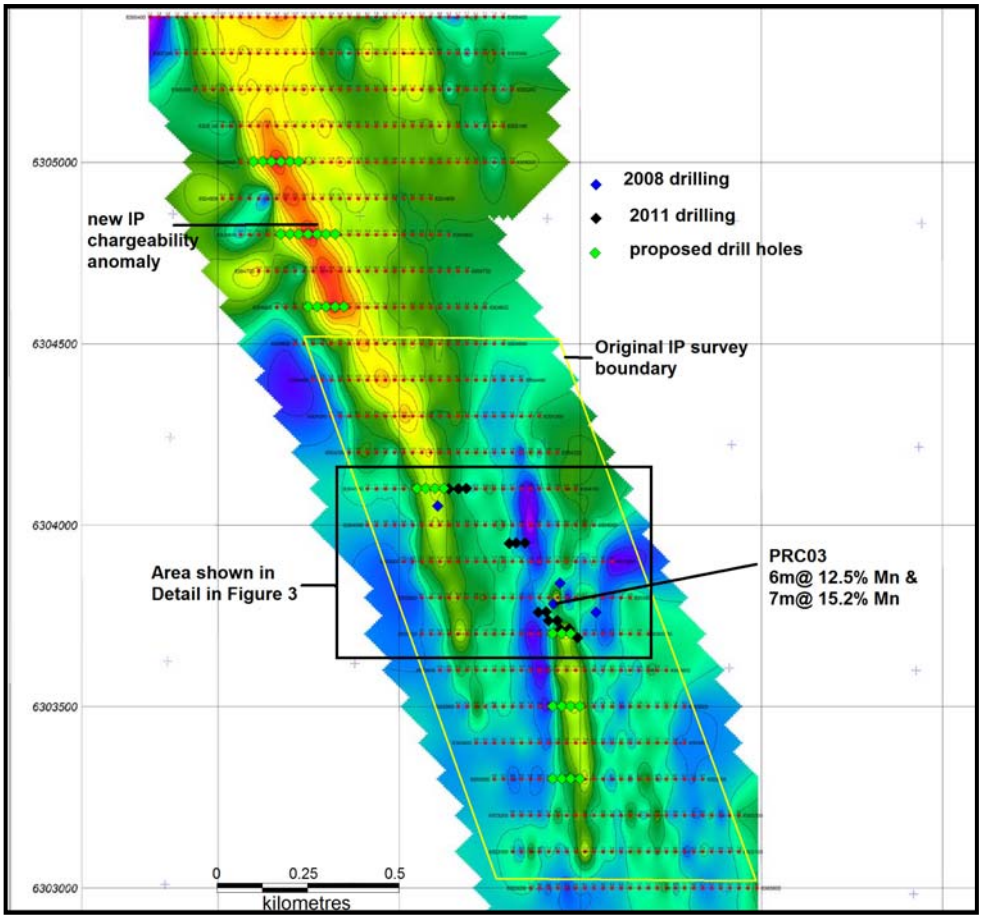

Figure 2. Chargeability data for Polinga area showing location of previous drill holes and proposed drill holes.

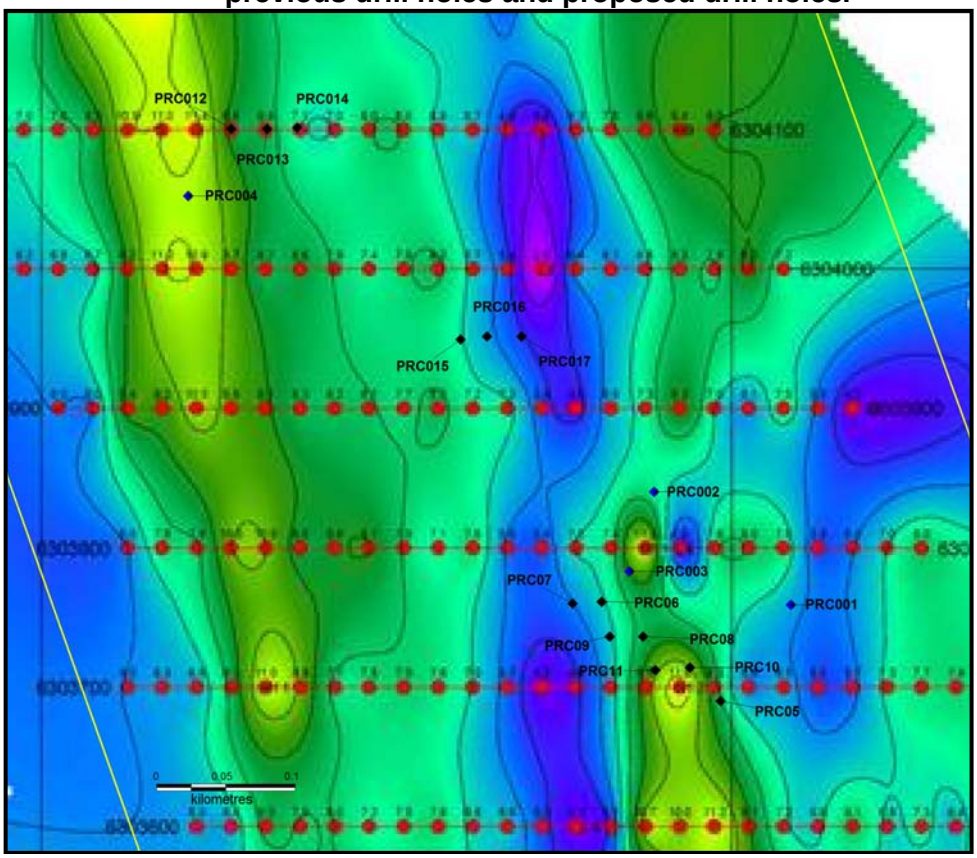

Figure 3. Detailed view of drilling at Polinga prospect shown in Figure 2 (red spots are location of GAIP data collection points).