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ASX RELEASE

Monax Signs Regional Strategic Alliance with Major International Copper Producer

HIGHLIGHTS

- **Monax has signed a regional strategic alliance for copper exploration in South Australia with Antofagasta.**
- **Antofagasta to commit US\$1 million over 2 years to Monax for project generation within South Australia.**
- **Antofagasta required to spend US\$4 million on Designated Projects to earn a 70% interest.**
- **Antofagasta to pay Monax a US\$3 million success fee upon reaching a 70% interest for each project.**

Monax Mining Limited (ASX:MOX) is pleased to announce it has entered into a strategic alliance with Antofagasta Minerals Adelaide Pty Limited (Antofagasta), a subsidiary of Antofagasta plc, for copper exploration within South Australia, exclusive of Monax's current portfolio in South Australia.

The alliance builds upon the already existing relationship developed on the farmin agreement Monax has with Antofagasta on Monax's flagship Punt Hill copper-gold project.

South Australia has been the location for three significant copper discoveries in the last 12 years with Prominent Hill, Carrapateena and Hillside all located within the highly prospective Olympic Iron-Oxide Copper-Gold province. Both Monax and Antofagasta plc strongly believe that further exploration of this copper-gold province will result in additional significant discoveries, and it is this belief that underpins this strategic alliance. The significance of this copper province has been highlighted recently by purchase of Carrapateena by OZ Minerals and the agreement between Rio Tinto and Tasman Resources on the Vulcan project.

Terms of the Agreement

Under the terms of the Agreement, Antofagasta will provide US\$1 million to Monax over two years for target-generation and exploration within South Australia. Properties which are identified as a project of interest become a Designated Project (DP). Once a DP has been formed, Antofagasta will have acquired a 51% interest and Monax a 49% interest in the project.

Antofagasta will then have the option to earn an additional 19% of any DP (for a cumulative 70% interest) by spending a further US\$4 million within three years. At this stage, Antofagasta will make a cash payment (success fee) to Monax of US\$3 million.

Upon vesting their interests at 70% Antofagasta and 30% Monax, both parties have the right to maintain their interest by contributing to exploration or development costs pro rata or dilute in accordance with a standard dilution formula.

If Antofagasta elects to discontinue exploration on a project, Monax has the option to continue with the project and dilute Antofagasta using a standard dilution formula. Antofagasta may elect to start contributing funds to discontinued projects at any time before dilution to below a 10% interest. If either party is diluted below a 10% interest, they will revert to a net smelter royalty (NSR) of 1.5%.

The Alliance will target properties containing copper, gold, silver, molybdenum, lead, zinc, nickel and platinum group minerals. Properties identified by Monax under the Alliance that are not jointly pursued will then be available for Monax to pursue on its own. Decisions relating to the Alliance will be made jointly by a Technical Committee comprising two representatives from each company, with Antofagasta holding the casting vote whilst sole funding.

Monax will be the operator during the exploration alliance phase and for the first two years of the earn in period on any DP. Monax will be entitled to a 10% management fee during the period that it is the operator. Antofagasta has the option to take over as operator at any time subsequent to the first two year earn in period on any project.

Managing Director, Mr Gary Ferris, said today, "Monax is very excited about the further collaboration with Antofagasta plc. The two companies have developed a great working relationship on the Punt Hill project and the opportunity to explore and potentially co-develop copper projects within South Australia with one of the top ten copper producers in the world is a major vote of confidence in Monax's ability to explore and manage exploration projects".

"Monax has been very successful in discovering the Punt Hill copper-gold system which ranks as one of the major copper projects within the Olympic IOCG province" he said.

"Monax believes that South Australia remains underexplored for copper deposits due to the restrictions of sedimentary cover, however improving geophysical techniques is reducing the associated risk with this kind of exploration. The recent deals with OZ Minerals purchasing Carrapateena and the Tasman Resources and Rio Tinto proposed exploration of the deep Vulcan target, show that deep underground mining for copper is considered a realistic and viable option for the future of copper mining. This opens up a significant amount of ground within South Australia" he said today.

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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.

About Monax Mining Limited

Monax is an ASX Listed company (ASX:MOX) with current projects in South Australia and Queensland. Monax has two copper-gold projects located within the highly prospective Olympic iron-oxide copper-gold province in South Australia; the Punt Hill project (Antofagasta earning 51%) located adjacent to Carrapateena, and the Yorke Peninsula project located within the same geological terrain as the recently discovered Hillside deposit. Monax also has a manganese and iron project located on central Eyre Peninsula, South Australia, which also has a major international farm-in partner OM (Manganese) Ltd, a wholly-owned subsidiary of OM Holdings Limited (ASX:OMH). Monax also has two projects located in northern Queensland; a bauxite project (Pretender Creek) located within the Cape York area and gold project (Percyvale) located within the Etheridge gold province.

About Antofagasta plc

Antofagasta plc is listed on the London Stock Exchange and a constituent of the FTSE-100 Index, with interests also in transport and water distribution. Currently, Antofagasta plc activities are primarily concentrated in Chile where it owns and operates four copper mines: Los Pelambres, Esperanza, El Tesoro and Michilla. Total production in 2011 is expected to be 620,000-640,000 tonnes of copper, 10,600 tonnes of molybdenum and 200,000-215,000 ounces of gold. Antofagasta plc also has exploration and evaluation or feasibility programmes in North America, Latin America, Europe, Asia and Africa. The Punt Hill farm-in agreement with Monax represents the first investment in Australia for Antofagasta plc.