



MONAX MINING LIMITED

ABN: 96 110 336 733

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1 June 2016

Dear Shareholder

On 30 May 2016, Monax Mining Limited (Monax or the **Company**) announced a non-renounceable rights issue to shareholders of 1 new share for every 2 existing shares held at an issue price of \$0.01 per new share (**Rights Issue** or **Offer**).

The Rights Issue seeks to raise up to \$1.52 million (approximately) before costs through the issue of up to 151,805,313 new fully paid ordinary shares in the Company.

Use of Funds

The net proceeds from the Rights Issue will be used for working capital purposes and to fund exploration and development including the following:

- Follow-up drilling and ongoing exploration activities at the Mt Ringwood Gold Project subject to results from the maiden drilling program;
- Surface sampling, mapping and drilling at the Bullock Creek Lithium Project;
- Investigation and drilling at the Croydon Gold Project; and
- Working capital purposes.

Details of the Rights Issue

Monax shareholders with registered addresses in Australia or New Zealand at 7.00 pm (Adelaide time) on 3 June 2016 (**Record Date**) will be eligible to participate in the Rights Issue (**Eligible Shareholders**).

Monax has decided that it is unreasonable to make the offer to shareholders who have a registered address in a country outside of Australia or New Zealand, having regard to the number of shareholders in such places, the number and value of the new shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

Each Eligible Shareholder will be entitled to subscribe for 1 new share in the capital of the Company for every 2 shares registered in their name on the Record Date. Fractional entitlements will be rounded up to the nearest whole number. The new shares will be issued at a cost of \$0.01 per share.

The Rights Issue price reflects a discount of 37.5% to the last closing price for Monax shares on the ASX prior to the announcement of the Rights Issue.

The Directors reserve the right to place any shortfall within three months after the close of the Offer. Full details of the Rights Issue will be contained in the prospectus lodged with the Australian Securities and Investments Commission and ASX (**Prospectus**). The Prospectus together with the Entitlement and Acceptance Form will be mailed to all Eligible Shareholders 7 June 2016.

A copy of the Prospectus is available on the company website at www.monaxmining.com.au.



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Key Dates

Key dates which shareholders should note are as follows:

EVENT	DATE
Announcement of Rights Issue	30 May 2016
Prospectus & Appendix 3B lodged with ASIC & ASX	30 May 2016
Notice of Offer sent to Shareholders	1 June 2016
Shares quoted on an 'ex' basis	2 June 2016
Record Date	3 June 2016
Despatch of Rights Issue Documents to Eligible Shareholders Offer Period Opens	7 June 2016
Offer Period Closes	24 June 2016
Shares quoted on a deferred settlement basis	27 June 2016
Notification of under-subscriptions to ASX (if any)	29 June 2016
Allotment date Deferred settlement ends	1 July 2016
Trading of New Shares on ASX commences	4 July 2016

These dates are indicative only and, subject to the *Corporations Act 2001* and the ASX Listing Rules, may be varied as the Directors decide.

Applications for new ordinary shares under the Rights Issue may only be made by completing the Entitlement and Acceptance Form which accompanies the Prospectus. Eligible Shareholders should read the Prospectus carefully. Before making a decision to participate in the Offer, you should seek independent advice from your professional advisor.

Yours sincerely

Robert Kennedy
Chairman
Monax Mining Limited