



# MONAX MINING LIMITED

ABN: 96 110 336 733

Exploration Office  
Warehouse I, 5 Butler Blvd  
Burbridge Business Park  
Adelaide Airport SA 5950  
Postal Address  
PO Box 247 Export Park SA 5950

Tel: +61 8 8375 3900

Fax: +61 8 8375 3999

[www.monaxmining.com.au](http://www.monaxmining.com.au)

**For immediate release**

30 April 2009

Monax Mining Limited

# Quarterly Report

For the period ending 31 March 2009

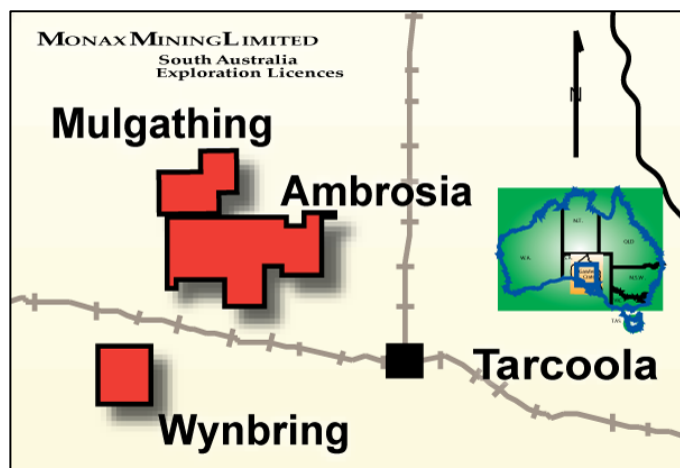
## HIGHLIGHTS

- **Joint Venture partner Marmota Energy Limited achieves first 25% earn in across all commodities on the Ambrosia tenement**
- **Drilling to commence on Ambrosia IOCGU targets**
- **Drilling commenced on palaeochannel uranium targets on the Mulyungarie tenement**
- **Geochemical and biogeochemical sampling on Kangaroo Island tenements shows good correlation with gold and base metal mineralisation**

### Ambrosia Project

(Monax Mining Ltd 75%, Marmota Energy Limited 25%, earning 50%)

The Ambrosia Project (EL 3358) covers an area of 854 km<sup>2</sup> approximately 100km north-west of Tarcoola in the north of South Australia. The area is considered by Monax to be prospective for Iron Oxide Copper Gold (IOCG) and palaeochannel roll-front uranium styles of mineralisation.





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Under a Joint Venture agreement with Monax, Marmota Energy is earning 50% equity across all commodities for an exploration expenditure of \$2,000,000. Marmota has currently achieved a 25% interest after reaching a total spend of \$1,000,000 during the quarter.

High resolution magnetic, radiometric, airborne electromagnetic, geochemical and gravity surveys have been completed and have been used to define a number of palaeochannel uranium and discrete conductive basement IOCG targets.

An initial phase of drilling targeting uranium in palaeochannels confirmed the presence of the correct geological conditions for the formation of roll-front style mineralisation along with the presence of anomalous uranium in some drill holes. Both Companies are encouraged by the results and have planned further drilling to follow up the initial results.

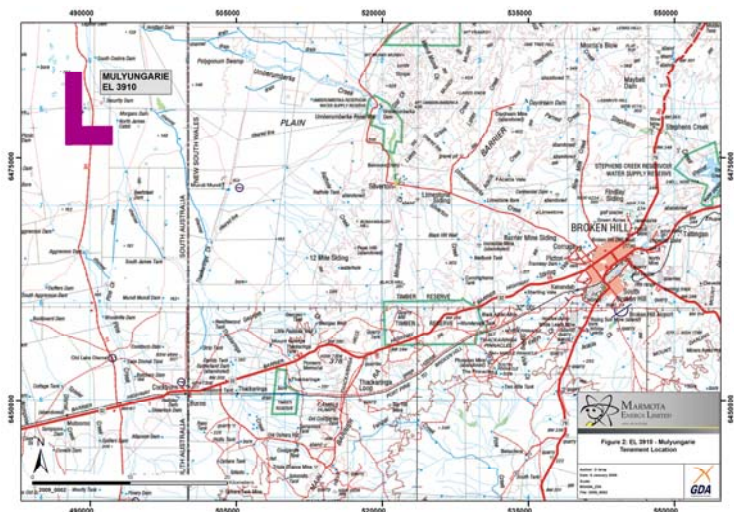
A further drill program will be undertaken in late April to test a number of discrete basement IOCG targets. The targets are interpreted to be at shallow depth and have been defined by a combination of gravity, magnetic and discrete electromagnetic anomalism.

## Mulyungarie

(Monax Mining 100%, Marmota Energy earning 70% of uranium rights only)

Marmota Energy has undertaken a 24 hole drilling program on the Mulyungarie (EL 3910) project to test for shallow palaeochannel hosted roll-front uranium. The project is located 18 km south east of the Honeymoon uranium mine and 50 km west of Broken Hill and is located close to good road and rail infrastructure.

The drilling primarily targeted the Eyre Formation which hosts the nearby Honeymoon uranium mine but is also investigating the potential of the Namba Formation which hosts the uranium mineralisation at the Beverly uranium mine.



High resolution geophysical data has been used to define extensions of the Yarramba Palaeochannel which extend onto the Mulyungarie tenement.

Initial results from the drilling have confirmed the presence of the uranium prospective Eyre and Namba Formations within the tenement.



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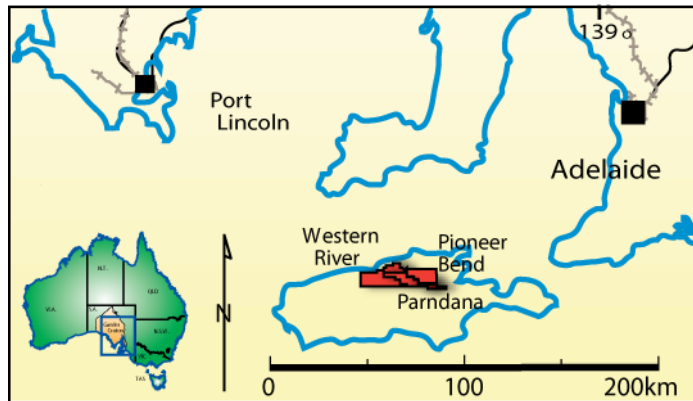
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## Parndana/Western River/Pioneer Bend

### Bonaventura Zinc-Lead Prospect

Monax Mining Limited has now received all results from its diamond drilling program at its Bonaventura Prospect on Kangaroo Island. The program was designed to test the extent of high grade zinc and lead mineralisation intersected in previous drilling at the prospect. Monax is aiming to define a near surface high grade economic resource.

Eight diamond holes were drilled into the structure in an attempt to extend the zone of previously identified high grade mineralisation.



Diamond drilling was mainly designed to test the depth extensions of high grade zinc and lead mineralisation. In addition, the program tested potential extensions of the mineralisation along several structures recently revealed by a program of mapping, trenching and surface sampling. All eight holes intersected sulphide intervals, which were present down to depths of 230 m. Drill results from the diamond drilling campaign, have now been received. Interpretation and construction of a 3D model and a resource evaluation is under way.

### Bonaventura Biogeochemical Sampling

Twenty four samples were collected in March 2008 to assess the use of vegetation sampling through cover on Kangaroo Island. The method was tested at Bonaventura Prospect across known mineralisation.

The recently received results showed a strong response from silver in Grass Tree (yakka) leaves across the top of the mineralisation.

To confirm the effectiveness of this method of exploration a further 50 samples have been collected and will be submitted for analysis. If further confirmation of the effectiveness of the technique is received, then a regional program to cover the large areas of the Kangaroo Island leases, which are under cover and currently unexplored, is planned.

### Kohinoor and Mt Brown (Rainbow's End) Prospects Soil Sampling

As part of an ongoing program, 191 hand auger soil samples were collected from around the Kohinoor and Mt Brown Prospects (Figures 1 and 2).



# MONAX MINING LIMITED

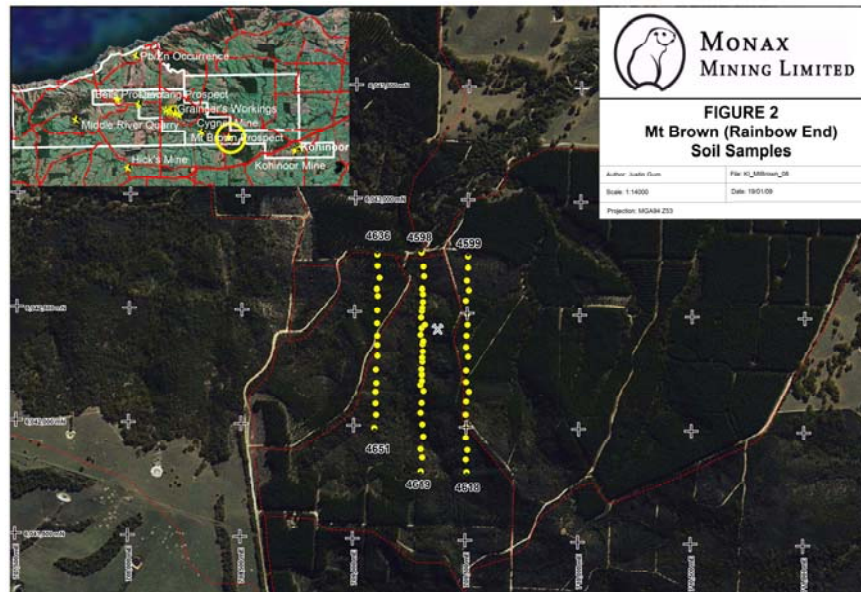
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The object of this program was to follow outcropping gold mineralisation below surface and identify repeats of the known mineralisation, if present. Further sampling is planned to extend coverage at these prospects.



**Michael Schwarz**  
Managing Director  
Monax Mining  
Limited

For further  
information please  
contact:

**Michael Schwarz,**  
Managing Director,  
Monax Mining  
Ph: (08) 8375 3900  
Email: [info@monaxmining.com.au](mailto:info@monaxmining.com.au)

'The information in the Annual Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets is based on information compiled by Mr M P Schwarz, who is a Member of the Australian Institute of Geoscientists. Mr Schwarz 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 Schwarz consents to the inclusion of the information in this report in the form and context in which it appears.'

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

**Monax Mining Limited**

ABN

**96 110 336 733**

Quarter ended ("current quarter")

**31 March 2009**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(219)	(1,372)
(b) development	-	-
(c) production	-	-
(d) administration	(155)	(517)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	122
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) )		
Grant Income	-	75
GST	3	42
Other	-	-
<b>Net Operating Cash Flows</b>	<b>(351)</b>	<b>(1,650)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(18)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(69)
1.11 Loans repaid by other entities	6	63
1.12 Other (provide details if material)		
Payments relating to the sale of subsidiary	-	-
<b>Net investing cash flows</b>	<b>6</b>	<b>(24)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(345)</b>	<b>(1,674)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(345)	(1,674)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	400
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)		
	Payments relating to issue of shares / options	-	(8)
	<b>Net financing cash flows</b>	-	392
	<b>Net increase (decrease) in cash held</b>	(345)	(1,282)
1.20	Cash at beginning of quarter/year to date	1,704	2,641
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,359	1,359

**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	119
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) and legal fees paid to a legal firm in which a director is a partner. The amount at 1.24 above represents contribution to the setup costs of a 50% owned associate company which provides management services, shared resources and logistics to the entity from 1 July 2008.

**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

Marmota Energy Limited pursuant to the Farm-In and Joint Venture Agreements for EL 3358, EL 3355, EL 3356, EL 3359, EL 3458, EL 3561, EL 3684, EL 3685, EL 3357, and EL 3775 has incurred on an accruals basis \$137,384 in the quarter ending 31 March 2009.

+ See chapter 19 for defined terms.

### 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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

**Note:**

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
<b>Total</b>	<b>150</b>

### 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	56	186
5.2 Deposits at call	1,300	1,515
5.3 Bank overdraft	-	-
5.4 Other (provide details) – IPO Trust Account	3	3
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,359</b>	<b>1,704</b>

+ 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 3358	Pursuant to the Ambrosia Farm-in and Joint Venture Agreement, Marmota Energy Limited has acquired rights to 25% of all minerals and entered into a joint venture arrangement with Monax Mining Limited to explore for minerals on this tenement.	100%	75%
6.2 Interests in mining tenements acquired or increased.	N/A			

**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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	70,647,057	70,647,057		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.7	<b>Options</b> <i>(description and conversion factor)</i>		Nil	<i>Exercise Price</i>	<i>Expiry Date</i>
		2,500,000		\$0.30	30/06/2009
		2,500,000		\$0.40	31/12/2010
		750,000		\$0.26	12/04/2011
		450,000		\$0.666	14/02/2012
		365,000		\$0.246	18/07/2013
		260,000		\$0.0517	23/12/2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## 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 ~~not~~\* *(delete one)* give a true and fair view of the matters disclosed.

Print name: Virginia Suttell..... Date: ....30/04/2009.....  
(~~Director~~/Company Secretary)

## 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.

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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- 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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