



**MONAX
MINING LIMITED**

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For immediate release
31 July 2009

Monax Mining Limited
Quarterly Report

For the period ending 30 June 2009

HIGHLIGHTS

Gold

- The first drilling under the old gold workings at Kohinoor Mine intersected mineralised quartz veins and fault breccia at 112-115m (2m @ 2.59g/t). Re-evaluation of the target after access to underground workings shows that the main gold lode was not intersected with this drillhole
- The first rock chip sampling of underground workings since the 1890's has been undertaken with values of up to 31.5 g/t being returned from quartz veins at the margins of the zones historically worked
- Four other areas of known gold mineralisation have been preliminarily sampled with rock chips or soil samples

Lead-Zinc

- Monax has completed its analysis of information from its diamond drilling program around the Bonaventura Prospect on its Parndana tenement
 - Diamond drilling tested the depths of high-grade, zinc and lead mineralisation and potential extensions of the mineralisation along several structures recently revealed by a program of mapping, trenching and surface sampling
 - Eight oriented diamond drill holes were drilled into two of the structures in an attempt to extend the zone of high-grade mineralisation previously identified
 - Detailed structural measurements were taken to aid the 3D interpretation of structural controls on high grade mineralised shoots
 - A soil sampling and rock-chipping program has commenced along the major structures hosting the Bonaventura mineralisation.
-



Gold

The Parndana, Western River and Pioneer Bend tenements are situated on the northern coast of the central part of Kangaroo Island, South Australia (Figure 1).

The tenements are prospective for gold as well as base metal mineralisation, associated with the Cygnet-Snelling fault zone (Figure 2). The fault zone is a deep crustal feature, which Geological Survey geologists

believe coincides at depth with the southern boundary of the Gawler Craton. Gold and base metal occurrences are found along much of the Cygnet-Snelling fault zone, including six historic mines, such as the Grainger's Mine and the Kohinoor Mine. These deposits are evidence of an extensive hydrothermal alteration and vein system related to the fault structure. Aeromagnetic data indicate that a distinct magnetic low marks the Cygnet-Snelling fault zone in the vicinity of the Grainger's Mine (Figure 2). This phenomenon is due to chloritisation and de-magnetisation of the Cambrian host rocks by mineralising fluids channelled through the fault zone. In other areas of the Cygnet-Snelling Shear Zone are regions of magnetic, iron-rich alteration although the relationship of these zones to mineralisation is undetermined at this stage.

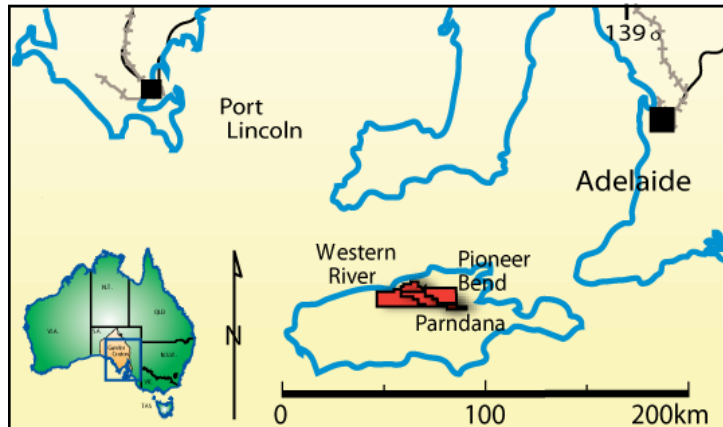


Figure 1. Location of Kangaroo Island Tenements

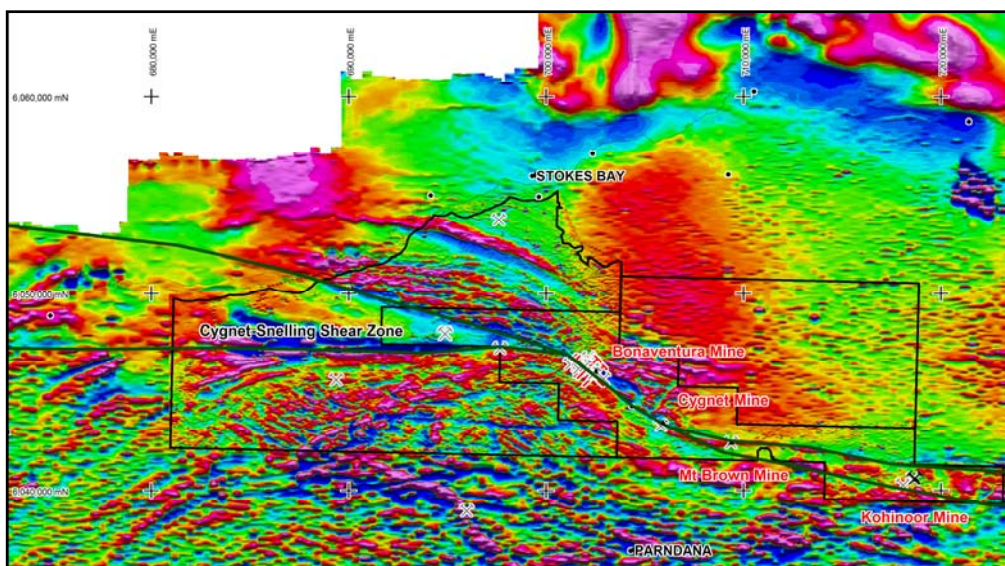


Figure 2. Kangaroo Island aeromagnetics (TMI_1VD) showing Cygnet-Snelling Shear system and coincident gold mineralisation.



The Kohinoor Mine was discovered in 1886 and worked sporadically until the early 1900's. Workings are not deep (<50m) and consist of several shafts, declines and an adit over a strike of less than 100m. Historic sampling recorded values of up to 168 g/t. Until Monax began a rock chip sampling program of the less accessible underground workings at Kohinoor Mine, the only recent sampling had been by SADME along the un-mineralised adit (max 0.075g/t). Several samples were taken from the declines of remnant ore with values up to 31.5g/t being returned. This confirmed historic records.

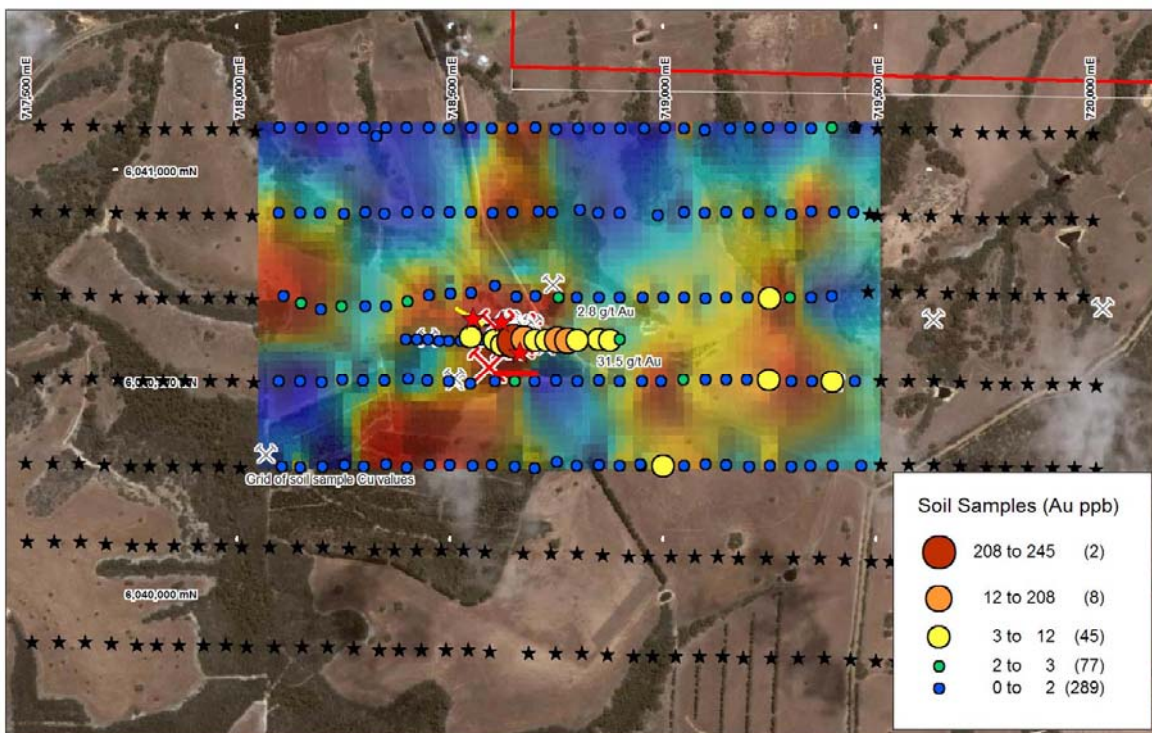


Figure 3. Summary of soil sampling and drilling to date at the Kohinoor Mine

Monax drilled a 140m diamond hole under the workings to confirm the presence of mineralisation (This passed through several faults and iron-rich bands but only intersected 2m @ 2.59 g/t Au. In hindsight, the drillhole failed to test the target and the presence of further mineralisation below the historic workings is yet to be confirmed.

A hand-auger soil sampling program was undertaken at Kohinoor to determine whether any further mineralisation may be concealed under cover in the area (Figure 3). Gold values were very low away from the historic workings due to the strong weathering of the saprolite. The copper values showed a strong correlation with gold and the two data sets combined (Figure 3) suggest several strong anomalies for subsequent follow-up, especially to the south. Extension of the grid to the east in May 2009 has outlined a zone of anomalous gold and copper values running parallel to the known mineralisation. Costeaming and/or drilling are planned later in the year to follow these results up.



The Mt Brown workings (Rainbow End Mine) are a similar occurrence of gold-mineralised, quartz veining and fault breccia to the Kohinoor Mine. Discovered in 1933, the workings consist of several shallow (<10m) open cuts and shafts and a short adit. Historic results of up to 3 g/t were recorded. More recent sampling (1987, Clackline) only graded 1.65 g/t and several additional samples taken from previously un-sampled shafts by Monax recorded up to 1.46 g/t. As this lower tenor mineralisation is also seen at Kohinoor Mine running approximately parallel to the high-grade, main lode, a hand auger soil sampling program was undertaken (Figure 4). Similar results

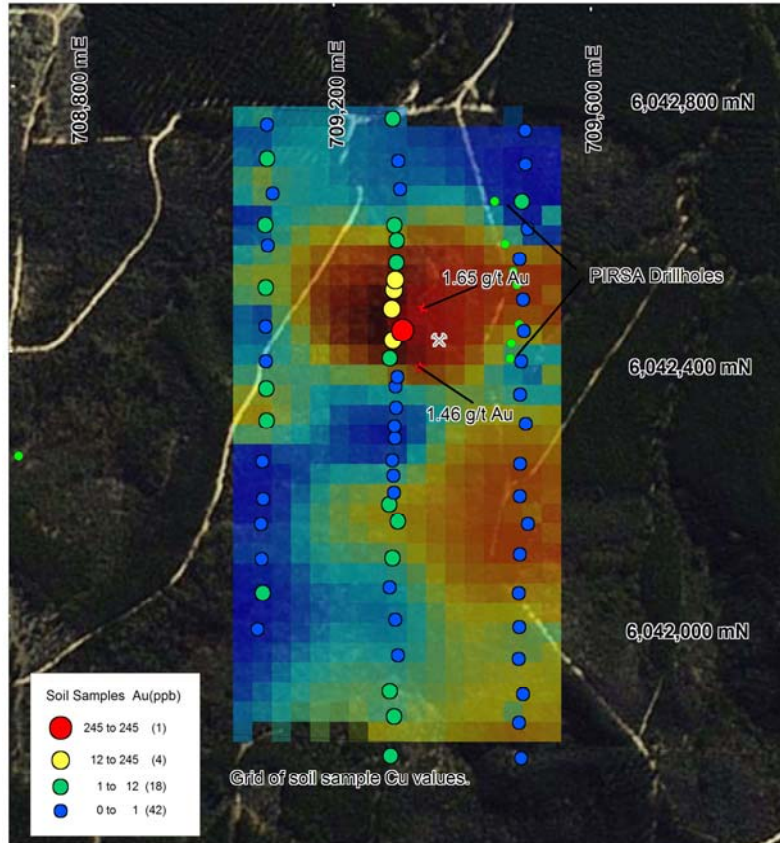


Figure 4. Summary of soil sampling and drilling to date at the Mt Brown Workings.

to those at Kohinoor Mine were obtained. Anomalous values are seen in both gold and copper but they are not as strongly coincident. The only drilling in the area was a series of 8 shallow holes completed by PIRSA in the early 1990's. There is no evidence of fault brecciation or significant quartz veining in the holes. No mineralisation was intersected. Outcrop suggests the mineralised veins plunge to the east underneath the PIRSA drilling. A shallow drilling program is planned to determine the strength of mineralisation at depth and to test for parallel lodes.

The Cygnet Mine was discovered in the 1890's and also has records of high grade gold in pyritic quartz veins. Values up to 36.7 g/t were recorded. Recent exploration by Clackline (1987) and Pasminco (1998) have failed to locate similar values. The best intersections are Clackline R14: 30-31m @ 0.29 g/t and Pasminco Hole 8: 54-60m @ 0.18 g/t. Soil sampling by Clackline indicates that anomalous gold values are open to the north. The outcropping veining historically worked at Cygnet Mine is parallel to the Cygnet-Snelling Shear Zone. This is distinct from the other gold occurrences along the shear zone, suggesting the potential for further mineralisation in the area along orientations similar to Kohinoor and Mt Brown. Further soil sampling is planned with shallow drilling to test any anomalies.



Rockchip sampling of historic workings and quartz veins at the Bonaventura Prospect has revealed a broad zone of gold values up to 1.12 g/t (Figure 5). This follows a trend that intersects the Bonaventura Cu/Au shaft. Apart from two Monax RC drillholes at the south-eastern extremity, this zone remains untested. Soil sampling by Preussag in the 1970's did not assay for gold. Further rock chipping of the outcropping, mineralised, quartz veins together with soil sampling is planned for this area. If sufficient encouragement is obtained, a shallow drilling program is planned in conjunction with testing of further Zn/Pb targets in the area.

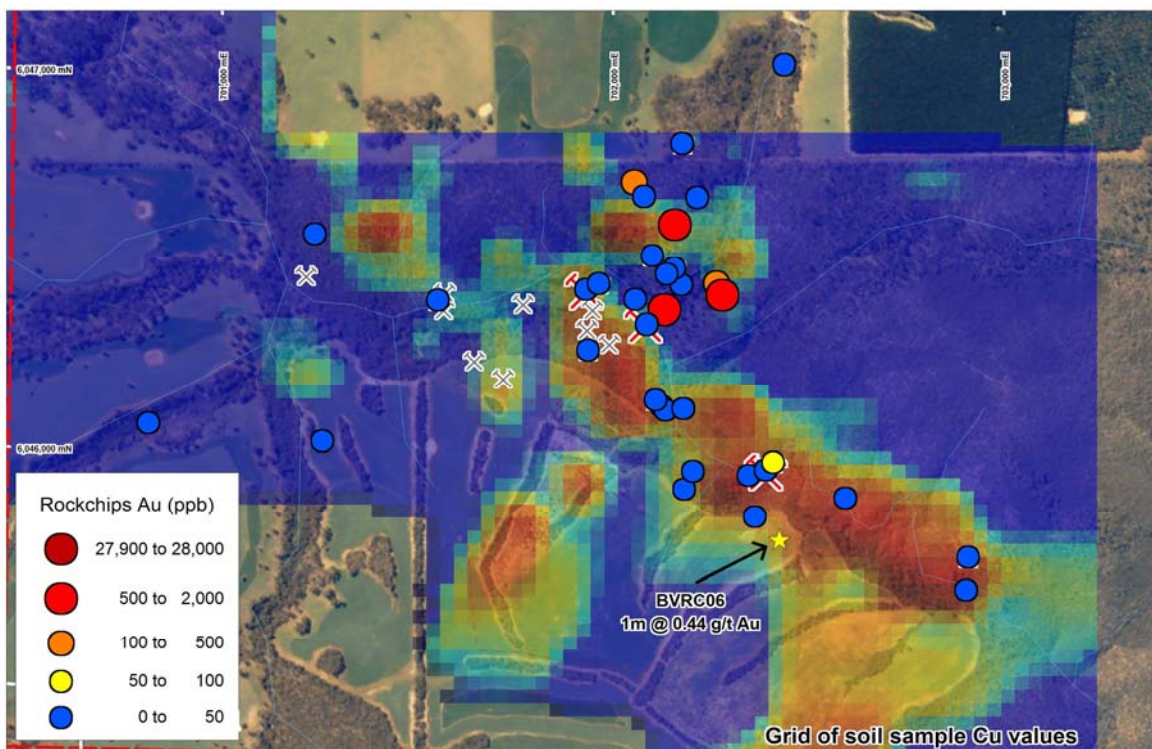


Figure 5. Summary of gold assays in rock chip sampling and drilling to date at Bonaventura Prospect.

In addition to these main targets of exploration, there are several other historic gold anomalies across the three exploration leases which will be covered with soil sampling grids. The most promising of these is the Bomb Alley prospect where mullock samples have returned encouragingly anomalous levels of gold and silver. Several structural targets which are covered by transported sediment have also been identified and will be assessed to determine if power auger soil sampling can be used to accurately evaluate their potential.

Lead-Zinc

Monax has completed analysis of information from its diamond drilling program at the 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 (Figure 6). All eight holes intersected sulphide intervals, which were present down to depths of 230m. The presence of sulphides in BVDD002 was very encouraging as there had been no previous drilling along this structure and indicates the potential for further mineralisation in the area.

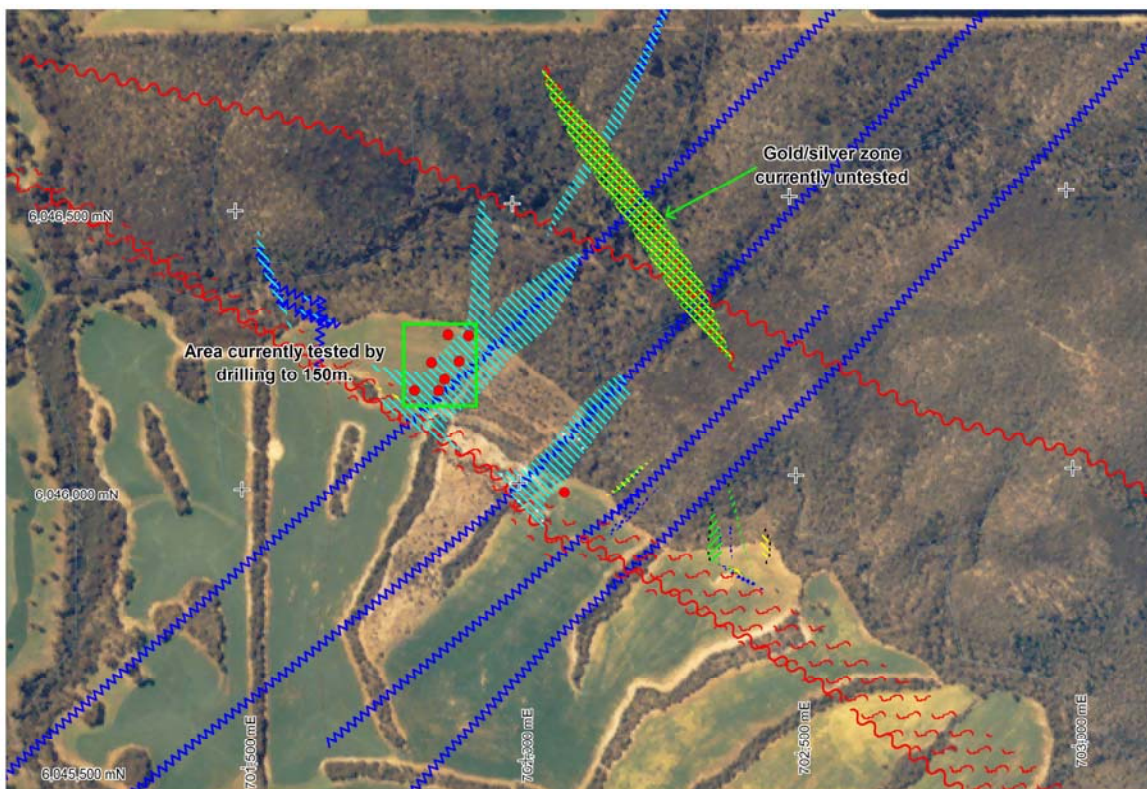


Figure 6: 2008 diamond drilling program and interpretive geology.

Logging and sampling of all drill holes has been completed and all results have been received. Significant intersections are included in Table 1. The results have been analysed and gridded in Discover 3D. The results have shown that the highest grades occur along the intersection lineations of the North-east faults and Cygnet-Snelling Shear Zone. Figure 7 shows the resulting model.

This model has shown the orientations of the very high-grade shoots (20-30% Zn+Pb) seen previously. None of the previous drill holes has been optimally positioned to fully intersect the highest grade section of the mineralisation. Further drilling will be able confidently intersect these high-grade zones, as well as locate further highly mineralised intersection sites.



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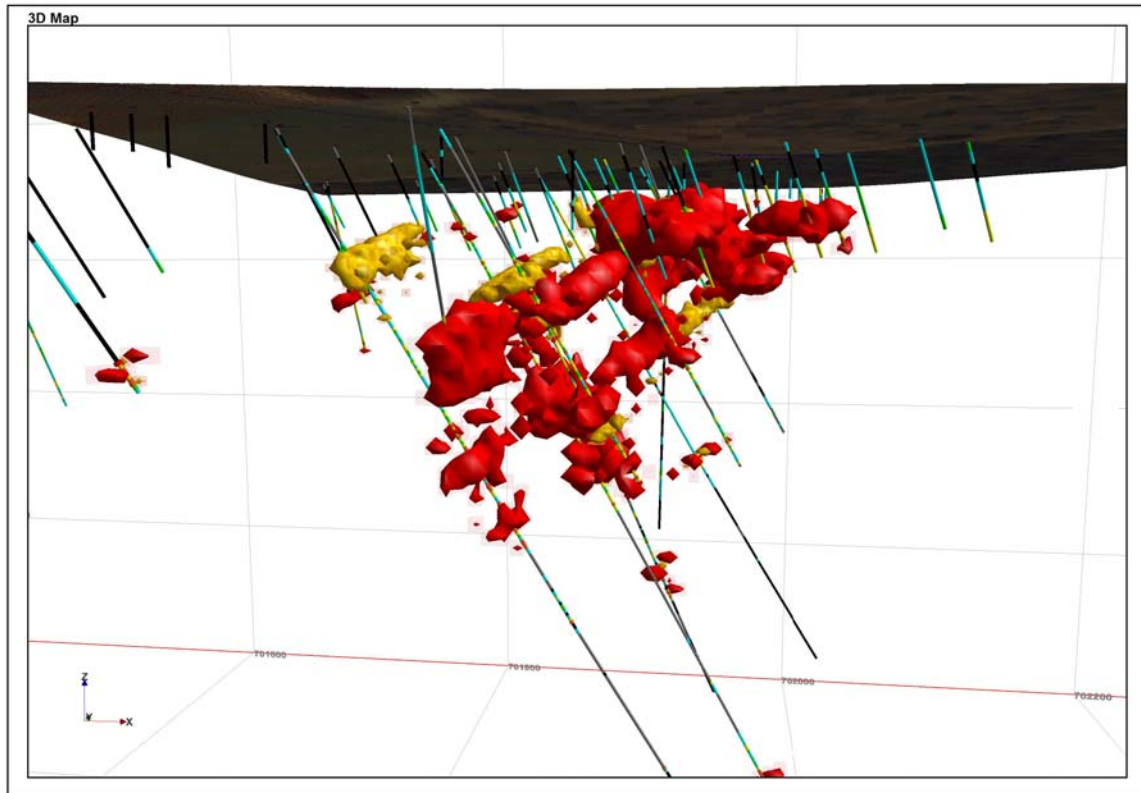


Figure 7: Discover 3D model of Zinc (red) and Lead (yellow) high-grade shoots.

In addition to drilling at Bonaventura, a program of soil and rock chip sampling is ongoing to explore the potential for structural repeats of the Bonaventura mineralisation. The two main targets are a zone of brecciated quartz veining to the southwest, within the Cygnet Shear Zone and the Dewrang Anomaly to the west.

The first area is a direct extension of the mineralised structures at the Bonaventura Prospect and has seen no historical exploration. The Dewrang Anomaly is a major feature that has seen minimal exploration to date. Due to the shallow nature of the bedrock in this area, sampling of soils and weathered rock is easily undertaken with a hand or petrol-powered auger. In the Bonaventura area, this sampling method has successfully been used to highlight mineralised zones under the thin cover.

Figure 8 shows the extent of sampling to date on a gridded extrapolation of Pb values. Sampling is also underway to extend the historic sampling grids along strike from the areas of known mineralisation.



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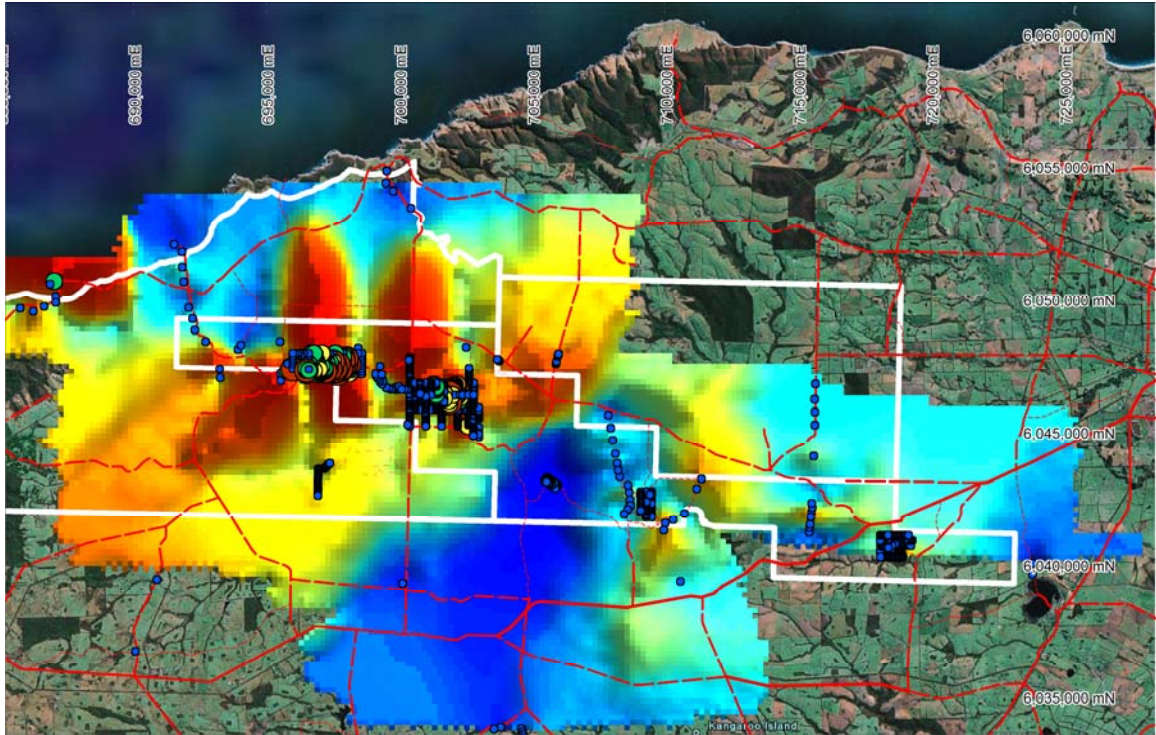


Figure 8: Soil sampling on gridded Pb sample values

Michael Schwarz
Managing Director
Monax Mining Limited

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'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.'



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Table 1. Summary of Significant Drilling Intersections, Bonaventura Prospect

Drillhole	Interval	Zn(%)	Pb(%)	Ag (g/t)
BVRC10	91-121 (30m)	1.29		
	inc 91-95 (4m)	2.46		
	inc 102-105 (3m)	2.02		
	167.7-174 (6.3m)	1.15		
BVDD002	129-132 (3m)		1.45	0.77
BVDD004	16.1-46 (29.9)	1.79		
	inc 27-37(10m)	3.22	1.62	1.53
	inc 16.1-20 (3.9m)		2.13	2.04
	51-59 (8m)		1.77	2.08
BVDD005	18.2-28 9 (9.8m)			2.43
	125-127 (2m)	4.12	2.94	3.90
	125-134 (9m)			1.83
BVDD006	69-83 (14m)	0.90		0.65
	inc 75-80(5m)	1.27		1.54
BVDD007	81-91 (10m)	2.13	0.45	0.83
	inc 85-91 (6m)	2.97	0.65	1.08
	94-159 (13m)	2.61		
	inc 97-102 (6m)	3.84		
	111-125 (14m)	1.90	0.15	0.42
	inc 117-125 (8m)	2.54		
BVDD008	58-69 (12m)	1.59	1.13	0.61
	inc 61-63 (2m)	6.96	5.06	2.50
	88-102 (15m)	0.94	0.66	0.43
	inc 89-96 (7m)	1.81		
	inc 98-101 (4m)		2.23	1.03
	111-119 (8m)	0.87 (open)		
BVDD009	39-64 (26m)		0.90	0.07
	inc 42-51 (9m)		1.58	
	101-106 (5m)	1.46		
	inc 103-104 (1m)	4.29		
	110-120 (10m)	1.46		
	inc 116-118 (2m)	3.14		
	130-140 (10m)	0.95		

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")

30 June 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(178)	(1,550)
(b) development	-	-
(c) production	-	-
(d) administration	(141)	(658)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	134
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	5	47
Other	-	-
Net Operating Cash Flows	(302)	(1,952)
Cash flows related to investing activities		
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	-	63
1.12 Other (provide details if material)		
Payments relating to the sale of subsidiary	-	-
Net investing cash flows	-	(24)
1.13 Total operating and investing cash flows (carried forward)	(302)	(1,976)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(302)	(1,976)
	Cash flows related to financing activities		
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)
	Net financing cash flows	-	392
	Net increase (decrease) in cash held	(302)	(1,584)
1.20	Cash at beginning of quarter/year to date	1,359	2,641
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,057	1,057

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	85
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 \$321,827 in the quarter ending 30 June 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	-
Total	150

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	89	56
5.2 Deposits at call	965	1,300
5.3 Bank overdraft	-	-
5.4 Other (provide details) – IPO Trust Account	3	3
Total: cash at end of quarter (item 1.22)	1,057	1,359

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	N/A			
6.2 Interests in mining tenements acquired or increased.	N/A			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	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 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,500,000 750,000 450,000 365,000 260,000	Nil	<i>Exercise Price</i> \$0.40 \$0.26 \$0.666 \$0.246 \$0.0517	<i>Expiry Date</i> 30/06/2010 12/04/2011 14/02/2012 18/07/2013 23/12/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	2,500,000	Nil	\$0.30	30/06/2009
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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:31/07/2009.....
(~~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.
- 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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+ See chapter 19 for defined terms.