



**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

For immediate release

30 October 2009

Monax Mining Limited
Quarterly Report

For the period ending 30 September 2009

HIGHLIGHTS

- **Successful Placement and Share Purchase Plan raises approximately \$2.6 million before costs, strongly capitalising the company to continue exploration on current projects and assess new projects.**
- **Newly acquired aeromagnetic data defines high priority targets at Melton iron-oxide copper-gold project.**
- **Farmin agreement signed with manganese producer OM Manganese over Waddikee Project for manganese and iron. Exploration due to commence in late October.**
- **Detailed infill gravity survey at Punt Hill due to commence mid-October with results due by early November.**
- **Initial drilling by Marmota Energy Limited at Mulyungarie provided encouraging results with six holes returning equivalent grades of 100ppm eU₃O₈ and greater.**



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Corporate

Capital Raising

The Company successfully placed approximately 10.5 million shares to professional and sophisticated investors at \$0.075 (7.5 cents) per share raising a total of \$787,500 (before costs). The shares were placed with a syndicate of private Chinese investors, as well as private clients of several local stockbroking firms

The Company also undertook a successful Share Purchase Plan (SPP) raising approximately \$1.83 million (before costs). The SPP was closed early, heavily oversubscribed, which resulted in a pro-rata scaleback of applications.

The Company now has 105,534,506 shares on issue.

Farmin Agreement for Waddikee Project

During August, MOX signed a farmin agreement with manganese producer OM Manganese (OMM) on Monax's Waddikee tenement (EL 3357). Under the terms set out in the agreement, OMM has the right to earn 60% interest in all ferrous minerals (manganese and iron ore) by funding expenditure to the value of \$2 million over a 4 year period. OMM must expend a minimum of \$250,000 in the first year before the right to withdraw. During the farmin period, Monax will remain exploration operator according to the program and budget mutually agreed between both parties. Monax retains the right to all non-ferrous minerals within the tenement, giving OMM the first right of refusal. Should OMM withdraw prior to expending \$2 million, they will have earned no interest in the tenement.

Upon OMM earning its farmin interest, OMM and Monax will enter into a Joint Venture Agreement (JVA). Under the terms set out in the JVA, Monax may elect to contribute in proportion to its 40% interest, or transfer a further 20% interest to OMM by OMM funding a further \$2 million of expenditure. Should OMM make a decision to mine, Monax may elect to contribute in proportion to its remaining participating interest, or relinquish its interest and withdraw from the JVA in exchange for a net revenue FOB royalty at a rate of 1% for each 10% of participating interest retained at the time of OMM's decision to mine.

Company Strategy

On September 1, Michael Schwarz resigned as Managing Director, and Gary Ferris was appointed to the position. With the change in management, a new exploration vision is being developed to move the company forward. A review of the current projects is being undertaken and this has seen the company actively seeking joint ventures for the Punt Hill IOCG and Kangaroo Island base metals projects. Detailed Information Memorandums have been produced for both projects and are available upon request from the company.

The company is currently assessing several new projects.



Exploration

Melton Project (MEU earning 50% interest in all minerals)

Preliminary high-resolution aeromagnetic data has been received over the Melton Cu-Au-U Project on northern Yorke Peninsula (Figure 1). The survey comprised 50m spaced flight lines and the preliminary results have delineated up to five high-priority targets.

Drilling by Rex Minerals at the Hillside Prospect located approximately 40km to the south of the Melton Project has reported a close association between copper mineralisation and magnetite. The preliminary magnetic data shows two discrete north-south trending magnetic anomalies within the interpreted Pine Point Fault Zone (PPFZ – see Figure 1). Three other discrete magnetic anomalies located to the west of the PPFZ have also been highlighted by the new data.

Under the terms of the Joint Venture, Marmota Energy Limited (ASX: MEU) can earn 50% in all minerals by spending \$400,000 on exploration within two years. MEU are planning ground magnetic and gravity surveys over the next two months followed by drilling between December and April 2010. MOX envisages that MEU will have reached the 50% expenditure commitment early in 2010 and funds from the recent Placement and SPP will be used to co-fund exploration on this high-priority project.

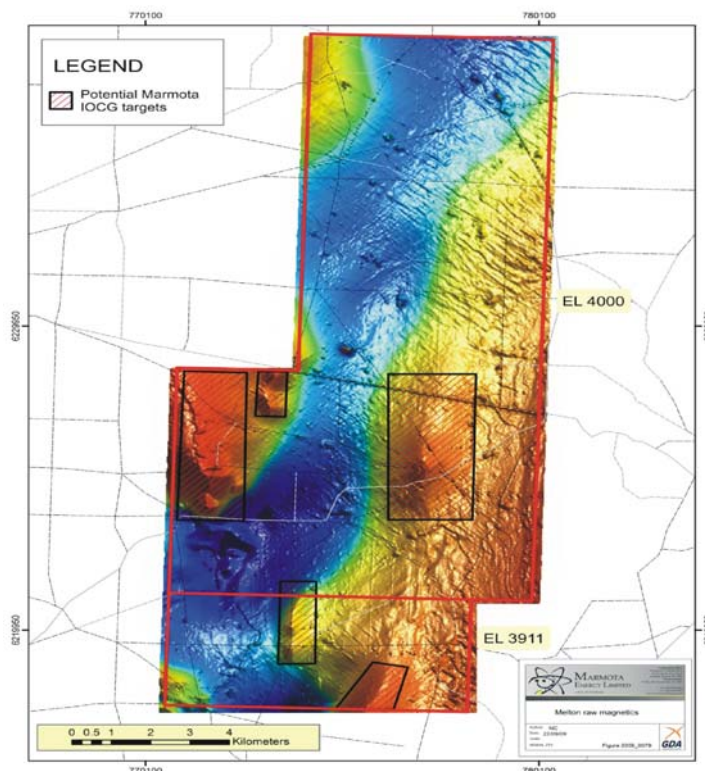


Figure 1: New high-resolution aeromagnetic data over the Melton Project showing five high-priority magnetic anomalies



Waddikee Project (MOX 100%; OMM earning 60% interest in manganese and iron; MEU earning 70% interest in uranium)

Exploration under the new farmin agreement with OMM is due to commence in late October. Initial exploration will focus on the Jamieson Tank prospect and will include detailed geological mapping, rock chip sampling, orientation soil and lag sampling and ground magnetic surveying over drill traverses. Previous rock chip sampling by MOX produced Mn values up to 54.1% at the Jamieson Tank prospect (Plate 1).

Detailed aeromagnetic and gravity data collected by MOX have highlighted the significant potential within EL 3357 for both manganese and iron (Figure 2).

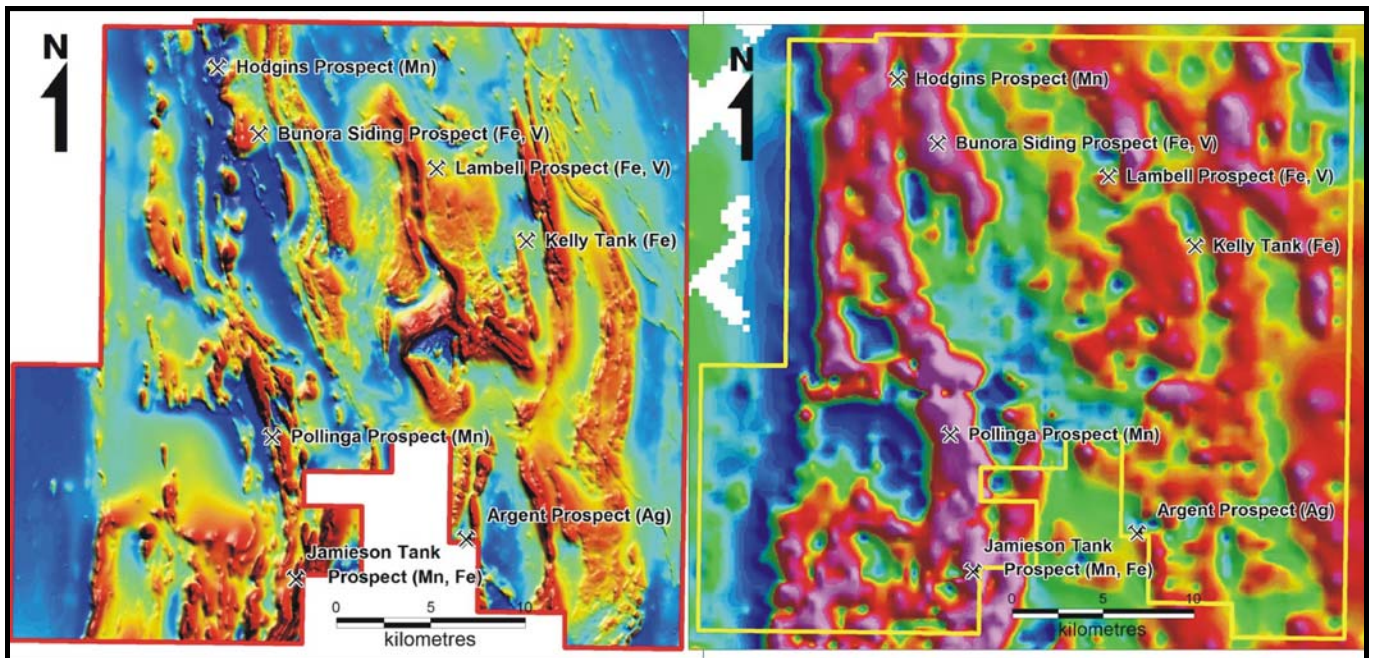


Figure 2: Detailed aeromagnetic (left) and gravity 1vd (right) over the Waddikee Project (EL 3357)

Drilling by MOX at the Jamieson Tank prospect produced encouraging manganese and iron results (see ASX ann. 19th Sept, 2008).

Laboratory scale beneficiation of drill hole samples demonstrated that bulk samples from selected manganese-rich intersections could be upgraded to 42.5% Mn, with up to 88% recovery (see ASX ann. 18th Dec, 2008).



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Plate 1: Manganese from Jamieson Tank prospect, Waddikee Project

Punt Hill Project (100% MOX)

MOX has engaged a gravity contractor to undertake a detailed infill gravity program to commence in mid October (Figure 3). The survey is aimed at defining further drilling targets to the north and northwest of the Groundhog gravity trend, where previous drilling intersected 159m @ 0.47% Cu, 5.3 g/t Ag, 0.12 g/t Au, 0.48% Zn & 0.12% Pb in Hole GHDD6. The survey will take approximately two weeks with preliminary results expected by early November.

The depth of basement rocks is interpreted to be shallower within the northwest part of the tenement. MOX is currently seeking a joint venture partner to assist with moving this project forward and has produced a detailed Information Memorandum which is available from the Company upon request.



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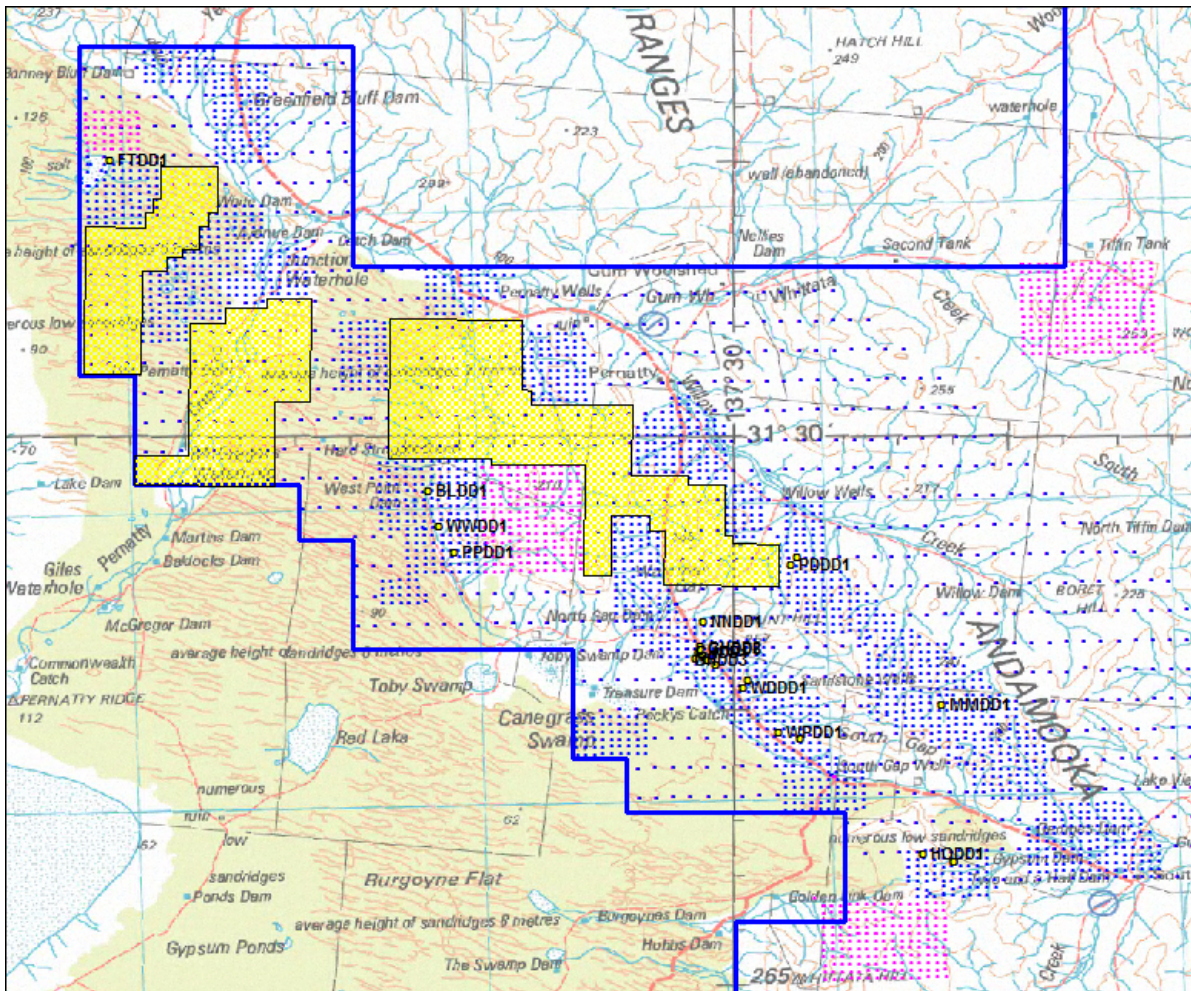


Figure 3: Punt Hill infill gravity survey areas (in yellow)

Kangaroo Island Project (100% MOX)

Continued examination of recent drilling results for base metals has led to a greater understanding of the setting and potential location of high-grade zones of mineralisation at the Bonaventura Prospect. MOX is planning further drilling in early 2010 aimed at intersecting high-grade zinc and lead zones.

MOX is planning further soil sampling for gold across the Kohinoor, Mt Brown (Rainbow End Mine), Cygnet Mine and the Bonaventura prospects. Sampling will commence in late 2009 with drilling planned for early 2010.

Mulyungarie Project (100% MOX interest in all minerals; MEU 70% interest in uranium)

Joint venture partner Marmota Energy recently announced encouraging drilling results from its maiden drilling program at Mulyungarie. Mulyungarie is located within the Frome



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Basin 18km southeast of the Honeymoon Uranium Mine. A total of 24 holes were completed with significant gamma anomalism observed in six holes. The best intersection was within hole MURM0124 which recorded two distinct gamma peaks of 1122 counts per second (256 eU₃O₈ ppm) and 761 counts per second (173 eU₃O₈ ppm).

Marmota interpret the intersections in hole MURM0124 may reflect two limbs of the tail of a potential rollfront uranium zone. A second drilling program is due to commence in mid October.

Gary Ferris
Managing Director
Monax Mining Limited

For further information please contact:

Gary Ferris,
Managing Director, Monax Mining
Ph: (08) 8375 3900
Email: 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 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.'

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 September 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 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	(175)	(175)
(b) development	-	-
(c) production	-	-
(d) administration	(177)	(177)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material))		
R & D Rebate	305	305
GST	(21)	(21)
Other	-	-
Net Operating Cash Flows	(53)	(53)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
Payments relating to the sale of subsidiary	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(53)	(53)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(53)	(53)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	790	790
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	(13)	(13)
	Net financing cash flows	777	777
	Net increase (decrease) in cash held	724	724
1.20	Cash at beginning of quarter/year to date	1,057	1,057
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,781	1,781

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	102
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.

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

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, EL 3775, EL 3911 and EL 4000 has incurred on an accruals basis \$134,835 in the quarter ending 30 September 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	175
4.2 Development	-
Total	175

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	1,163	89
5.2 Deposits at call	615	965
5.3 Bank overdraft	-	-
5.4 Other (provide details) – IPO Trust Account	3	3
Total: cash at end of quarter (item 1.22)	1,781	1,057

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	EL3908	Relinquished all minerals excluding uranium Relinquished uranium rights	100%	0%
	EL3788	Relinquished all minerals	30%	0%
	EL3394	Reduced area from 516km ² to 240km ²	100%	100%
6.2 Interests in mining tenements acquired or increased.	ELA 2009/00199	Acquired	0%	100%
	ELA 2009/00212	Acquired	0%	100%
	ELA 2009/00282	Acquired	0%	100%
	ELA 2009/00284	Acquired	0%	100%
	EPM 18304	Acquired	0%	100%
	EPM 18305	Acquired	0%	100%

+ 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	81,180,389	81,180,389		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,533,332	10,533,332	\$0.075	\$0.075
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				
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 ~~/does not*~~ (*delete one*) give a true and fair view of the matters disclosed.

Print name: Virginia Suttell..... Date:30/10/2009.....
(~~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.