



**MONAX
MINING LIMITED**

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ASX RELEASE

For immediate release

31st January 2007
General Manager
The Company Announcements Office
Australian Stock Exchange Limited
PO Box H224
Australia Square
Sydney NSW 1215

Dear Sir/Madam,

Monax Mining Limited

Quarterly Report

for the period ending 31 December 2006
including the monthly report for January 2007

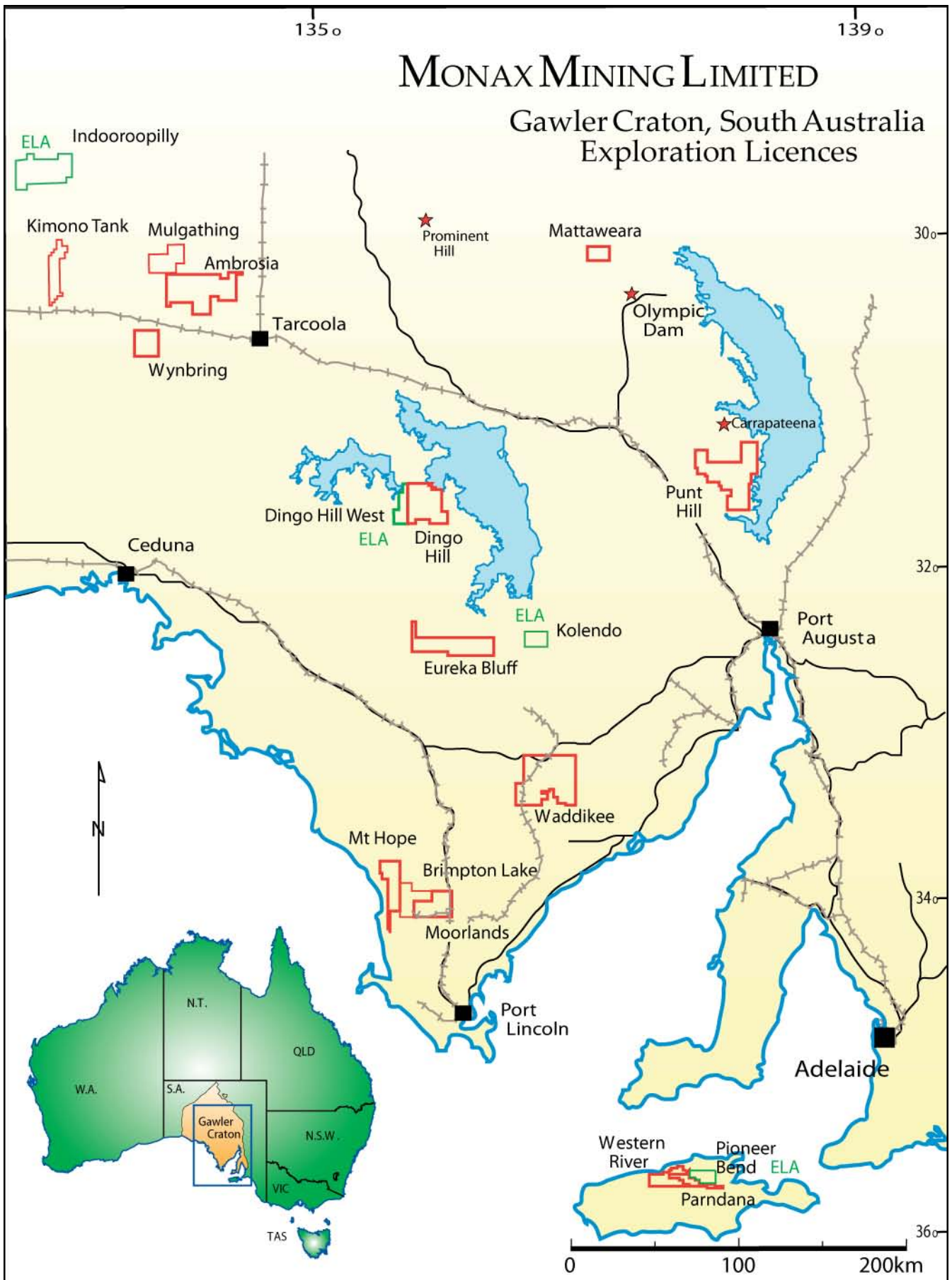
HIGHLIGHTS

- **PUNT HILL -SA**
A large iron-oxide copper-gold style alteration system has been discovered on the Punt Hill tenement.
- Four drill holes of the Punt Hill drilling program have defined an exploration target of over 3.6 km strike length.
- Assay results have revealed broad zones of copper mineralisation up to 126m at 0.4% copper.
- Testing of the target is at a preliminary stage with potential for higher grade breccia systems within the target zone.
- Two regional targets remain to be tested before more detailed exploration begins at the Groundhog target.
- **NEW TENEMENTS GRANTED - SA**
Monax has been granted two new tenements covering palaeochannel systems in the western Gawler Caton. The Mulgathing (EL3684) and Kimono Tank (EL3685) tenements contain palaeochannel systems prospective for rollfront uranium.



Tenement Status

Project	Tenement	Status	Acquired	Area (km ²)
Ambrosia	EL 3358	Granted	100%	854
Mt Hope	EL 3355	Granted	100%	320
Moorlands	EL 3356	Granted	100%	324
Parndana	EL 3376	Granted	100%	100
Western River	EL 3088	Granted	100%	301
Wynbring	EL 3359	Granted	100%	247
Eureka Bluff	EL 3458	Granted	100%	549
Dingo Hill	EL 3394	Granted	100%	516
Mattaweara	EL 2964	Granted	100%	119
Waddikee	EL 3357	Granted	100%	1004
Punt Hill	EL 3457	Granted	100%	887
Brimpton Lake	EL 3561	Granted	100%	222
Mulgathing	EL 3684	Granted	100%	258
Kimono Tank	EL 3685	Granted	100%	234
Kolendo	ELA 202/06	Application	100%	130
Indooroopilly	ELA 315/06	Application	100%	570
Dingo Hill West	ELA 173/06	Application	100%	195
Pioneer Bend	ELA 557/06	Application	100%	95





Punt Hill Drill Program

Monax is targeting Olympic Dam-style uranium, copper and gold in the Punt Hill tenement which is located in a highly prospective area of the State within the Olympic Copper-Gold Province.

An initial drilling program, costing around \$2 million, is currently underway in the tenement (EL 3457). The company is pleased to have announced that it has encountered iron-oxide copper-gold (IOCG) style alteration and mineralisation in the first three drill holes of the program.

Assay results have now been received for these holes which show broad zones of low grade copper mineralisation within which higher grade zones of up to 1% copper occur.

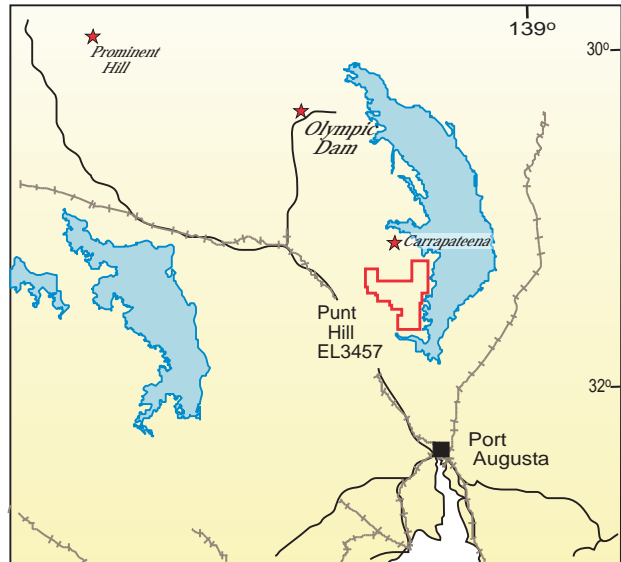


Figure1. Location of Punt Hill tenement

Table: Assay results from the Whistlepig, Woodchuck and Groundhog drill holes.

Drillhole	Depth	Interval	Copper	Gold	Silver	REE
WPDD1	788-848m	60m	0.13%	0.03 g/t		-
WDDD1	648-666m	18m	-	-		0.42%
	683-753m	70m	0.41%	-		-
	including	28m	0.82%	-	10 g/t	-
GHDD1	788-805m	17m	-	-		0.41%
	837-963m	126m	0.40%	-	-	-
	including	14m	0.70%	-	-	-
	and	14m	1.00%	0.25 g/t	4.5 g/t	-

IOCG system confirmed at Punt Hill

These drill results confirm the presence of an extensive IOCG style alteration system over a strike length of over 3.6 km and have increased the Company's confidence that the system has the potential to produce thick zones of mineralisation.

The Whistlepig, Woodchuck and Groundhog drill holes were designed to test a gravity feature which is over 8.5 km long and up to 2km wide and are the first drill hole to test this target (Fig. 2). Mineralisation is open in all directions and with each of the holes 1.6 km apart significant potential exists for higher grade zones within the system. Monax plans to test this potential following completion of the regional drilling program early this year. The Needlenose target is currently being drilled to test the extension of mineralisation intersected in the Groundhog drill hole.

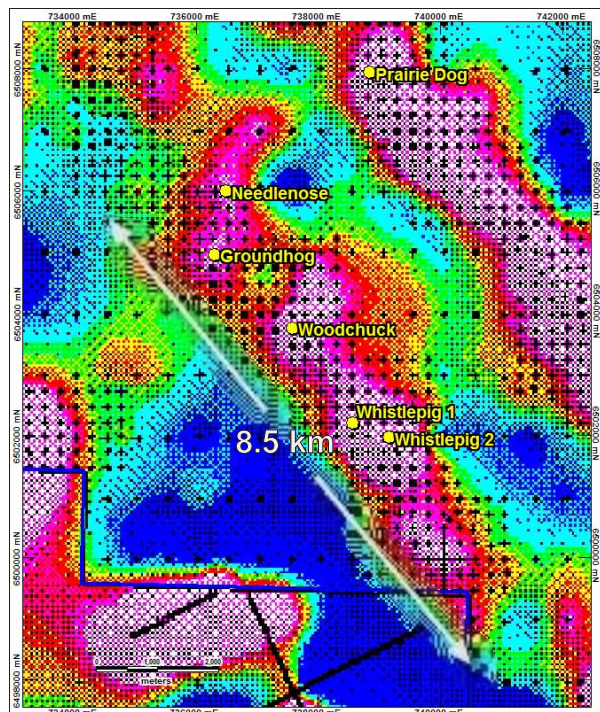


Figure 2. Residual gravity image Whistlepig - Groundhog

Regional targets

Monax is currently in the process of completing its regional drilling program to the north and east of the three Punt Hill holes drilled and assayed to date. Two regional holes are planned to test a larger gravity feature to the east of the current system (Fig 3). This feature extends for over 10 km along strike and is up to 2 km wide. It occurs in the same north-west orientation as the western gravity feature and is interpreted to be another IOCG alteration system. Drilling of the Marmot and Prairie Dog targets will test for the presence of another larger IOCG alteration system within the Punt Hill tenement.

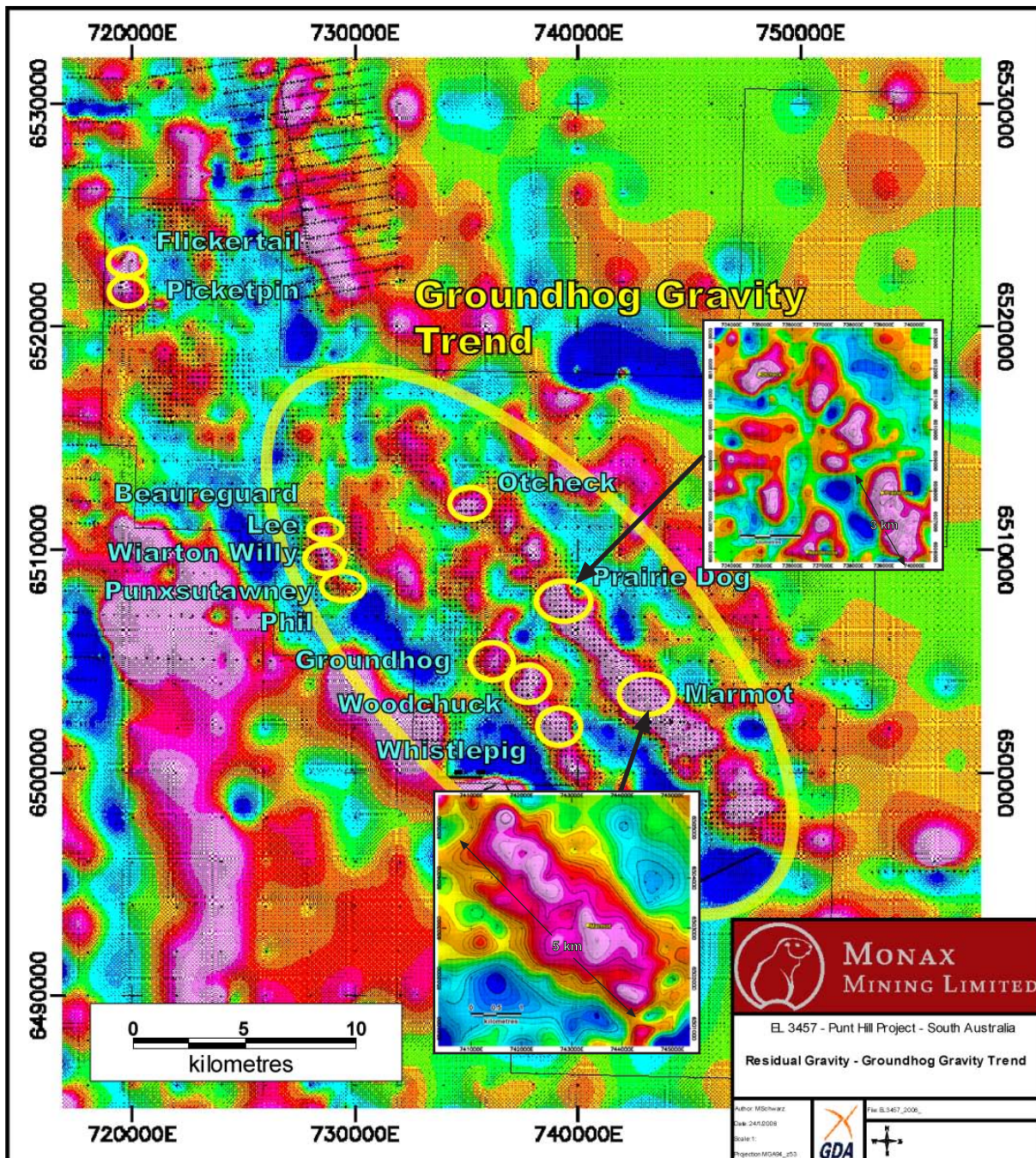


Figure 3. Groundhog Gravity Trend on residual gravity image - Punt Hill tenement

Punt Hill mineralisation model

Monax's exploration model for IOCG systems at Punt Hill is based on a breccia pipe model of mineralisation. A breccia pipe is formed when hot fluids (hydrothermal) are driven off of a heat source such as molten granite (Fig. 4). These fluids, which may carry copper, gold and uranium, seek a pathway towards the surface. Where the fluid flow has been concentrated a breccia pipe is likely to form by repeated fracturing of the rocks by fluid pressure. Heavy minerals such as hematite (iron oxide), copper sulphides, gold and uranium oxides are deposited within the breccia pipe system. This produces a package of heavy (dense) rocks which in turn produce a gravity anomaly. These anomalies have been detected by the Company's detailed gravity surveys and are the current targets for drilling.

Whistlepig, Woodchuck and Groundhog in context

The Company believes that the Whistlepig, Woodchuck and Groundhog drill holes have intersected an IOCG system that has the potential to host several breccia pipes. To date the holes drilled appear to have been drilled near or on the margin of the main zones of brecciation and also potential mineralisation (Fig 4). This is not surprising considering that the 8.5 km long gravity feature has only been tested by four drill holes up to 1.6 km apart (Fig. 2) and that the target zone may only be several hundred metres across.

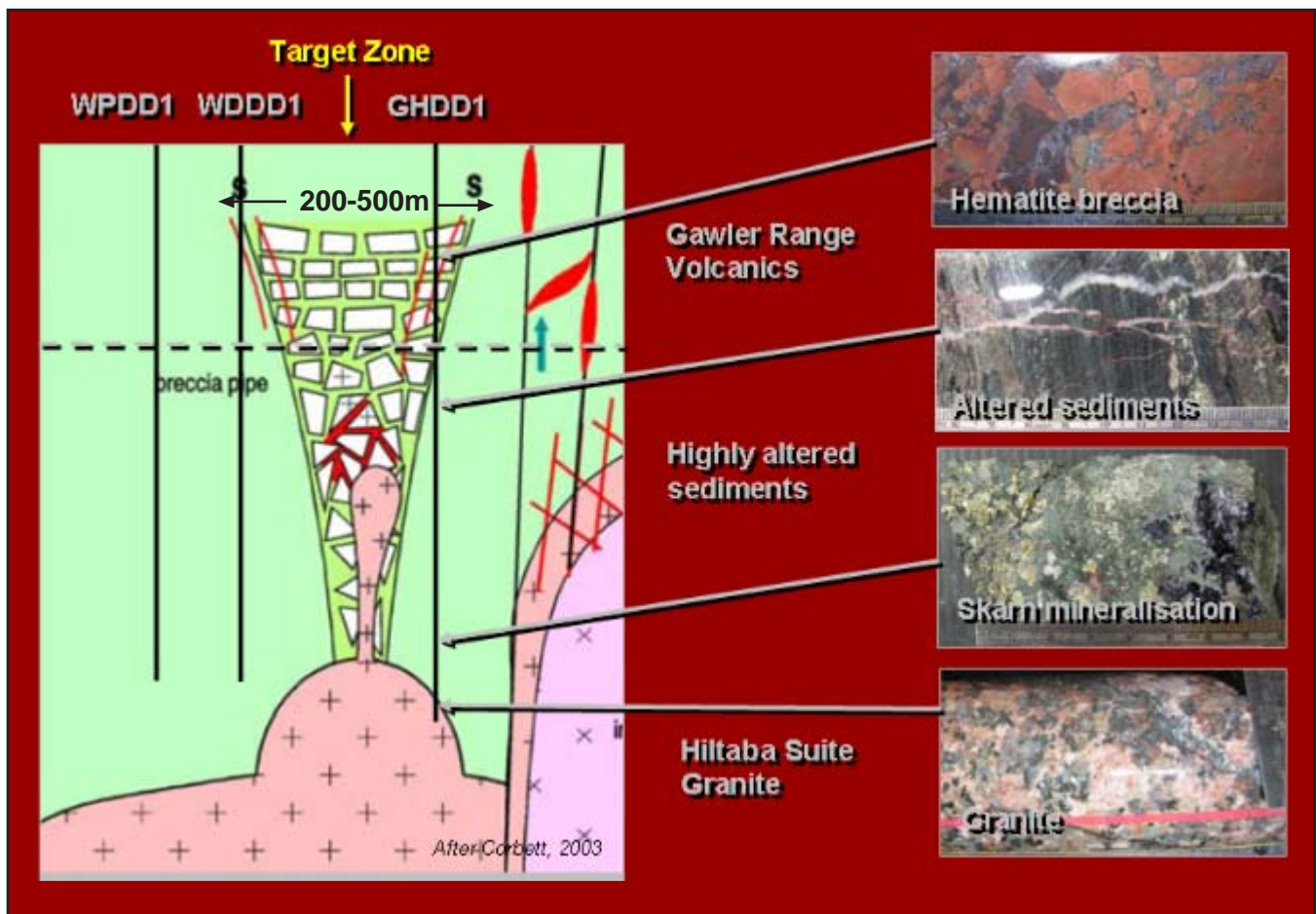
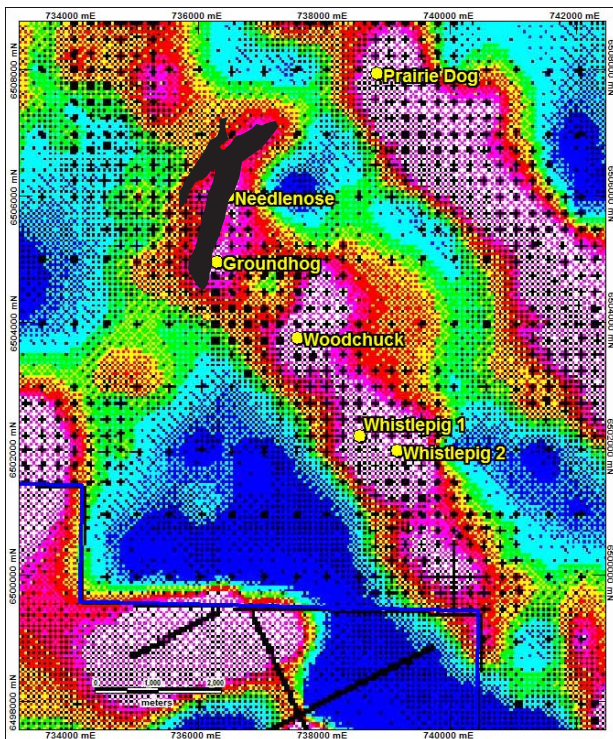


Figure 4. IOCG exploration model



Outline of the Prominent Hill gravity anomaly

Comparison with other IOCG systems

The Groundhog drill hole intersected 126m @ 0.4% copper. Currently this is the only hole drilled into the Groundhog gravity target which extends for over 2km in a north-easterly direction and is of a similar size to the Prominent Hill gravity anomaly. Monax believes that while the mineralisation encountered in the Groundhog hole is of low grade the potential exists for a Prominent Hill sized IOCG system to occur within each of the Groundhog, Woodchuck and Whistlepig targets (Fig. 5).

Figure 5. Comparison between Groundhog and Prominent Hill

Two new tenements granted

Monax has been granted two new tenements in the last quarter. The Mulgathing exploration licence covers 258 km² of ground, to the north west of Tarcoola in SA in the western Gawler Craton. The licence is interpreted to contain tributaries to the Mulgathing palaeochannel system. Prospective sequences of palaeochannel sediments occur within the licence area and have high potential for rollfront uranium mineralisation and are also worthy of testing for placer gold deposits.

The Kimono Tank exploration licence covers an area of 234 km² and occurs 125km west of Tarcoola in the western Gawler Craton. Prospective sequences of palaeochannel sediments occur within the licence area and have high potential for rollfront uranium mineralisation. The area also contains rocks similar to those that host the Challenger gold deposit.



Michael Schwarz
 Managing Director
 Monax Mining Limited

For further information please contact
Michael Schwarz, Managing Director on
08 83753900 or email:
info@monaxmining.com.au

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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 December 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 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	(1,472)	(1,828)
(b) development		
(c) production		
(d) administration	(286)	(474)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	52	105
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material))		
ASX Listing Fees	-	(10)
Prepaid insurance etc	(11)	(33)
GST	(90)	(105)
Other	(4)	(22)
Net Operating Cash Flows	(1,811)	(2,367)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(56)	(86)
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)		
Net investing cash flows	(56)	(86)
1.13 Total operating and investing cash flows (carried forward)	(1,867)	(2,453)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,867)	(2,453)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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	(2)	(2)
	Net financing cash flows	(2)	(2)
	Net increase (decrease) in cash held	(1,869)	(2,455)
1.20	Cash at beginning of quarter/year to date	3,269	3,855
1.21	Exchange rate adjustments to item 1.20		
		1,400	1,400
1.22	Cash at end of quarter		

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	158
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), legal fees paid to a legal firm in which a director is a partner and company secretarial & associated fees paid to a listed entity in which two directors are directors.

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

Nil

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

Nil

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

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	453
4.2 Development	
Total	453

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	36	95
5.2 Deposits at call	1,361	3,171
5.3 Bank overdraft		
5.4 Other (provide details) – IPO Trust Account	3	3
Total: cash at end of quarter (item 1.22)	1,400	3,269

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			
6.2	Interests in mining tenements acquired or increased			

+ 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	49,166,670	29,200,003		
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>	5,000,000 2,500,000 2,500,000 850,000 100,000		<i>Exercise price</i> \$0.25 \$0.30 \$0.40 \$0.26 \$0.182	<i>Expiry date</i> 30/06/2008 30/06/2009 31/12/2010 12/04/2011 23/08/2011
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: Dom Francese..... Date:31/01/2007.....
(~~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.