



**MONAX
MINING LIMITED**

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For Immediate Release
Wednesday, 14 November 2012

ASX RELEASE

Monax Chairman's Address - Annual General Meeting – 14 November 2012

Dear Fellow Shareholders,

Welcome to our eighth Annual General Meeting.

As outlined in my Chairman's Report in the Company's Annual Report in addition to our copper-gold joint venture with Chile's Antofagasta group over Punt Hill in South Australia, Monax has entered into a Strategic Alliance with Antofagasta for certain projects in the State as part of our strategy to continue exploration whilst conserving cash, allowing capital markets to recover and provide capital to junior exploration and mining companies.

I note that, at last, the CEO of the ASX has encouraged the Australian Government to grant flow through tax deductions to shareholders for exploration expenditure, a call that I have made over many years. Junior explorers add significantly to the exploration knowledge base and have provided many projects for development by the majors. It is time that governments recognised this role more fully by granting the investment incentive of flow through shares to incentivise investors and also to smooth the pathway for access to tenements - as juniors cannot continue to sustain the holding costs of waiting for approvals.

A combination of a lack of tax reform combined with soft market conditions has meant junior exploration companies are still facing a huge challenge in terms of access to capital. At the end of September 2012, the Company reduced its holding in Marmota Energy Limited (ASX:MEU) by the sale of 3.4 million shares to raise approximately \$647,000. This was a strategic decision by the non-conflicted Director to provide working capital for Monax to continue the exploration for graphite at its Waddikee project on South Australia's Eyre Peninsula – without the need to issue more shares to achieve the same capital flexibility. Monax remains Marmota's largest shareholder at around 14% or so, and so retains its upside to that company's promising and advanced uranium, gold and iron ore projects particularly.

Much of our focus has been to preserve shareholders' capital whilst still ensuring that we are exploring on our tenements. This calendar year, Antofagasta will spend approximately A\$2.3 million on exploring our flagship Punt Hill tenement in the Gawler Craton in northern South Australia, taking that partner close to a \$4 million total expenditure to earn 51% equity in the tenement. Monax can continue to explore in our own right but at a smaller scale unless results justify greater expenditure. Our Managing Director will outline to you in detail our strategy going forward in his presentation.



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OM (Manganese) Limited terminated its iron and manganese-focused joint venture over the Waddikee tenement located on the central Eyre Peninsula in South Australia and after re-evaluation, your Company has turned its primary focus at Waddikee to the tenement's strong graphite potential in what has become a graphite exploration province as a result of the resurgence of the graphite market.

OM did not earn any interest in Waddikee and the tenement remains wholly owned by Monax. Your Company also has full access to the data base generated through the OM joint venture work.

Our Phar Lap IOCG project north east of Tarcoola in South Australia on the western margin of the Mt Woods inlier has a geophysical anomaly similar to Oz Minerals' Carrapateena project and is a setting similar to Oz Minerals' Prominent Hill IOCG mine. We have initiated land access applications and hope to drill when access is granted.

Whilst our Melton copper gold project located on Yorke Peninsula, South Australia, a 50:50 joint venture with Marmota, has potential, it has taken a lower priority to allow us to focus on the areas I've already outlined. Webling Bay (EL 3922) in which we have a 100% interest remains part of our Yorke Peninsula copper gold assets.

We have rationalised other projects to trim the exploration portfolio to ensure Monax a clear focus for the future within our current capital constraints.

I take this opportunity to thank the small but dedicated staff of Monax and Groundhog Services Pty Ltd (our joint services company with Marmota) and my fellow Directors, who provided commitment to the Company.

Finally I thank all of our shareholders for your continuing support and your Board will continue to work hard to create further shareholder value in the upcoming year.

Our Managing Director Gary Ferris will now give a presentation on the technical details of our tenement holdings.

Robert M Kennedy

CHAIRMAN

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