FOR IMMEDIATE RELEASE
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ASX RELEASE

Petrology confirms coarse flake graphite from drilling at

Monax’s Waddikee Project

HIGHLIGHTS

- Petrology confirms presence of coarse graphite flakes intersected in first drill hole of 2013 resource definition program at Waddikee Graphite Project on Eyre Peninsula, S.A.

- Reverse Circulation (RC) drilling completed at Project’s Wilclo South prospect.

- Diamond drilling commenced at Wilclo South to provide samples for metallurgical characterisation studies.

Further coarse flake graphite has been discovered during new drilling at Monax Mining Limited’s (ASX: MOX) wholly-owned Waddikee Graphite Project on South Australia’s Eyre Peninsula (Figure 1).

Coarse flakes and aggregates (refer Plates 1-6) were located in the first of 77 holes drilled to date by Monax at the Wilclo South prospect – one of four key graphite targets at the Project, located 100km southwest of Whyalla.

Petrological results – released today by Monax – of the drill samples have confirmed initial observations.

The results confirmed coarse flake graphite with a minimum size of 250 micron (0.25 mm) and maximum size of 1200 micron (1.2 mm), with an average size of approximately 450 micron (0.45 mm). The width of simple composite graphite aggregates comprising several joined graphite flakes is about 100 micron (see Plates 2 and 3).

Petrology of the “pure” graphite aggregates (see Plate 1) reported clean, coarse graphite with trace pyrite (see Plates 4-6). Coarse graphite aggregates were observed in several further holes and samples have been submitted for petrology.

Seventy seven (77) RC hammer drill holes were completed at the Wilclo South prospect totalling 7307m. The location of the drill holes is shown in Figure 2. The drilling program was designed to test a 1.2km strike zone to 100m depth for an initial resource definition.
Work has now commenced on two HQ triple tube diamond drill holes at Wilclo South to collect cored samples for further detailed metallurgical test work (see Plates 7 & 8).

Results from previous drill holes completed by Monax in 2012 at the prospect - WG031 and WG032 - included 15m @ 16.3% total graphitic carbon (TGC) in hole WG032 (90-105m) and 9m @ 14.8% TGC in hole WG031 (59-68m) (see Figure 2 ASX Release 14 February 2013 – note downhole lengths reported; true widths unknown).

Graphite up to a maximum of 29.9% TGC (WGC031 66-67m) was reported from the 2012 drilling program. Petrology on drill hole samples from holes WG031 and WG032, as well as from an outcrop located on the prospect, is reported below.

<table>
<thead>
<tr>
<th>Sample</th>
<th>Estimated vol% contained graphite (from petrology)</th>
<th>Range of Flake length mm</th>
<th>Mean length mm</th>
<th>Total Graphitic Carbon (TGC) (Lab assay)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WS1</td>
<td>~20</td>
<td>0.1 to 2.0</td>
<td>1.3</td>
<td>22.9%</td>
</tr>
<tr>
<td>WG031, 51m</td>
<td>10-15</td>
<td>0.1 to 1.5</td>
<td>0.5</td>
<td>13.4%</td>
</tr>
<tr>
<td>WG031, 66m</td>
<td>30-35</td>
<td>0.1 to 1.5</td>
<td>1.0</td>
<td>29.9%</td>
</tr>
<tr>
<td>WG032, 69m</td>
<td>12-15</td>
<td>0.1 to 0.8</td>
<td>0.5</td>
<td>12%</td>
</tr>
<tr>
<td>WG032, 102m</td>
<td>30</td>
<td>0.1 to 1.5</td>
<td>0.5</td>
<td>24.9%</td>
</tr>
</tbody>
</table>

Petrology was undertaken by Pontifex and Associates. Geochemical analyses undertaken by Amdel - Bureau Veritas Australia, using GRAV4D method (taken from ASX Release 12 September 2012.)

A further 13 samples from the current drilling program comprising visual coarse flake graphite have been submitted for petrology, with results expected in 3-4 weeks.

Based on previous results, Monax is excited by the coarse flake graphite observed from the current drilling program. Geological logging has reported the occurrence of coarse graphite in many drill holes and selected samples have been submitted for petrology to confirm the flake size and provide information on the associated minerals. Samples from the RC drilling to date have been collected and await submission.

On completion of the diamond drilling at Wilclo South, the Company will move the drill rig to the Francis prospect – also part of the Waddikee Graphite Prospect.

Detailed ground electromagnetic (EM) surveying defined a strong conductivity anomaly, confirming the regional airborne EM data. Geological logs from two historic drill holes in the vicinity of the Francis anomaly reported the presence of graphite. Geological and geophysical observations and interpretations by the Company, combined with geological drill logs, indicates the Francis prospect trend is the result of a large geological fold structure, which appears to have produced a repetition of the Wilco South geology.

The Company will complete a small number of RC drill holes to validate the historical drill holes and evaluate the flake graphite potential.

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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.
Plate 1. Coarse graphite aggregates from Wilclo South prospect (WG042 101-102m)

Plate 2. General view of graphite-rich drill chip showing coarse graphite (Note scale bar = 500 micron or 0.5mm). White mineral is pyrite. (Note: coarse flake graphite = >0.177mm or 177 micron).
Plate 3. Detailed view of drill chip showing coarse flake graphite (Note scale bar = 200 micron or 0.2 mm).

Plate 4. General view showing cross section of coarse graphite aggregates shown in Plate 1 (note scale bar = 500 micron or 0.5 mm).
Plate 5. Detailed view of one graphite aggregate shown above (note scale bar = 100 micron or 0.1 mm).

Plate 6. Detailed view of different graphite aggregate shown above (note scale bar = 100 micron or 0.1 mm). White mineral is pyrite along cleavage in graphite.
Plate 7. Section of diamond drill core from first diamond drill hole (81-83m) from zone of interpreted high-grade graphite.

Plate 8. Section of diamond drill core from 79-81m showing graphite gneiss in upper tray with minor quartz-feldspar rich layers visible in lower tray.
Figure 1. Location of the Waddikee project, central Eyre Peninsula, highlighting other graphite and iron projects within the region.
Figure 2. Wilclo South prospect - Location of drill holes showing drill hole traces.