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ASX RELEASE

Monax signs agreement with ASX-listed Falcon Minerals for copper-gold targets in northern South Australia

HIGHLIGHTS

- **Monax Mining's wholly-owned subsidiary, Monax Alliance, signs Option to Purchase Agreement with Falcon Minerals for two tenements in the Algebuckina area in northern South Australia.**
- **The tenements will form part of Monax's maiden Designated Project under its Strategic Alliance with Chilean major, Antofagasta plc.**
- **Designated Project (DP) also includes three other Monax Alliance tenements which comprises the Algebuckina DP.**
- **Project focussed on copper-gold targets.**

Monax Alliance Pty Ltd ("Alliance") today announced it had signed an Option to Purchase agreement with minerals exploration company Falcon Minerals Limited (ASX:FCN) ("Falcon") for two of its tenements in the Algebuckina region in northern South Australia (Figure 1).

Alliance is a wholly owned subsidiary of Monax Mining Limited (ASX:MOX) and was established as the operational vehicle of a Strategic Alliance between Monax and major Chilean copper producer, Antofagasta plc, through its subsidiary Antofagasta Minerals Adelaide Pty Ltd ("AMA").

Under the terms of the Strategic Alliance, which commenced in November 2011, AMA will provide US\$1 million to Alliance over two years for target-generation within South Australia. Alliance is targeting properties containing base and precious metals.

The Falcon tenements adjoin three tenements already held by Alliance as part of its Algebuckina Designated Project (DP), which is located about 1000km north north-west of Adelaide (Figure 1). The Algebuckina DP will now comprises five tenements covering an area totalling 3,108km² (see Table below for tenement details).

Tenement No.	Name	Holder	Area (km²)
EL 4350	Mt Margaret	Falcon	499
EL 4536	Mt Charles	Falcon	907
EL 4990	Old Umbum	Alliance	540
EL 5093	Algebuckina	Alliance	323
EL 5094	Douglas Creek	Alliance	839

Background

Alliance undertook a review of the copper potential of the Peake and Denison Inlier of the northern Gawler Craton, including a review of historical company exploration and a detailed assessment of the available geophysical data sets.

Based on this review, Alliance approached Perth-based Falcon to undertake exploration on Exploration Licences (EL) 4350 and 4536.

The geology of the Peake and Denison Inlier has similarities to the mineralised sequences in the Olary Block in South Australia, and the eastern succession of the Mt Isa Inlier in north-western Queensland.

Previous exploration on the Falcon tenements has outlined two potential copper-gold targets at Davenport Creek (EL 4536) and Spring Hill (EL 4350) (see Figure 2). Previous drilling at Davenport Creek returned widespread anomalous copper (>0.1% Cu), with a best result of 3m @ 2.75% from 330m associated with magnetite-hematite-chalcopyrite-bornite breccias within basement rocks (note downhole length, true width unknown).

Geophysical modelling by Falcon on the Spring Hill target, shows two steeply dipping, elongate to pipe-like bodies with densities ranging from 3.1 to 3.3 g/cc, and coincident offset magnetic anomalies (Figure 3).

The geophysical modelling indicates a diameter of 1.3km and a depth to the source of the gravity anomaly of 160m below the surface. These features have not been adequately tested by previous drilling.

Alliance is planning to undertake a detailed gravity survey over selected areas and a decision to drill will be made after interpretation and modelling of the newly acquired gravity data.

Terms of the Option Agreement with Falcon Minerals

Upon payment of US\$25,000 by Alliance to Falcon after the execution of the Option Agreement by the parties ("Effective Date"), Falcon will grant to Alliance the sole and exclusive option to purchase EL's 4350 and 4536 ("Option").

The Option may be exercised by Alliance paying each of the following amounts to Falcon, on or before the corresponding dates as follows:

Amount	Date
US\$50,000	First anniversary of the Effective Date.
US\$75,000	Second anniversary of the Effective Date.
US\$250,000	Third anniversary of the Effective Date.

If Alliance makes a decision to mine on the tenements (whether before or after the Option is exercised), it will pay Falcon a further US\$10 million.

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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.

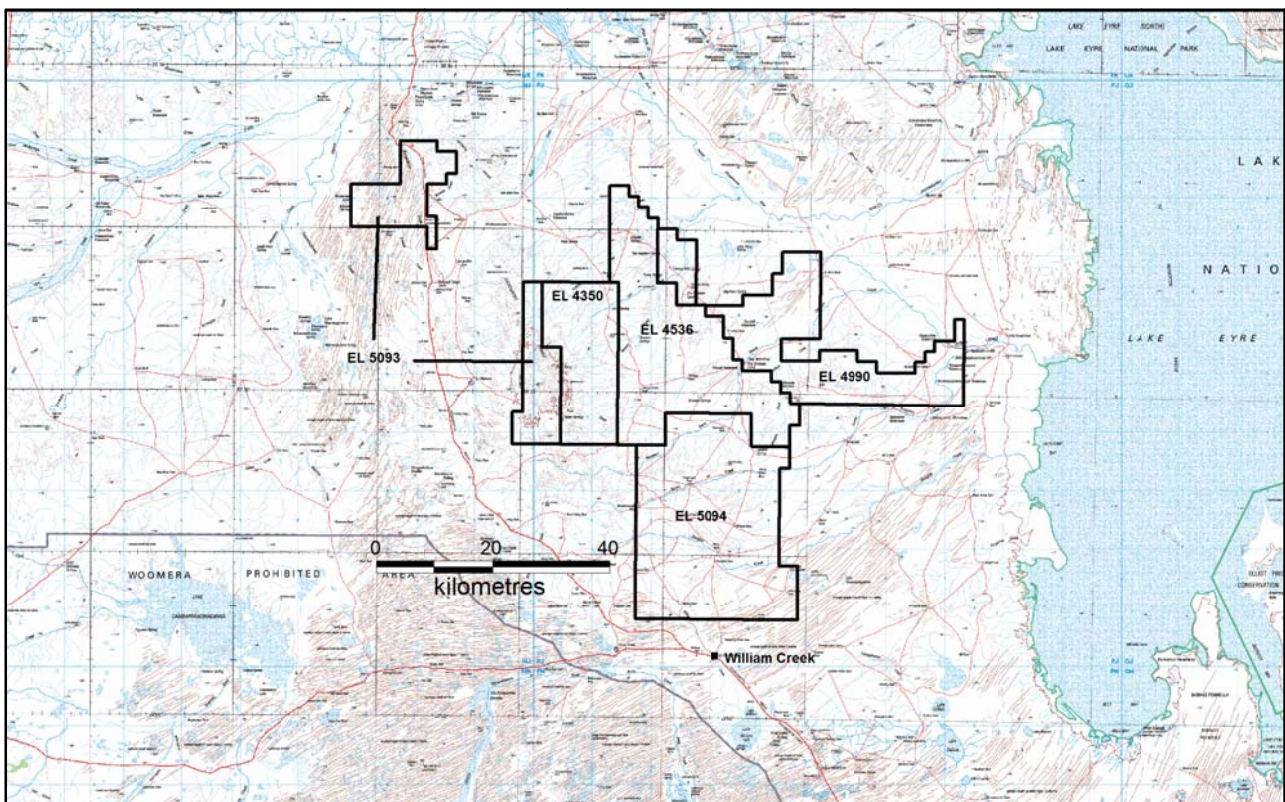


Figure 1. Monax Alliance Algebuckina Designated Project location

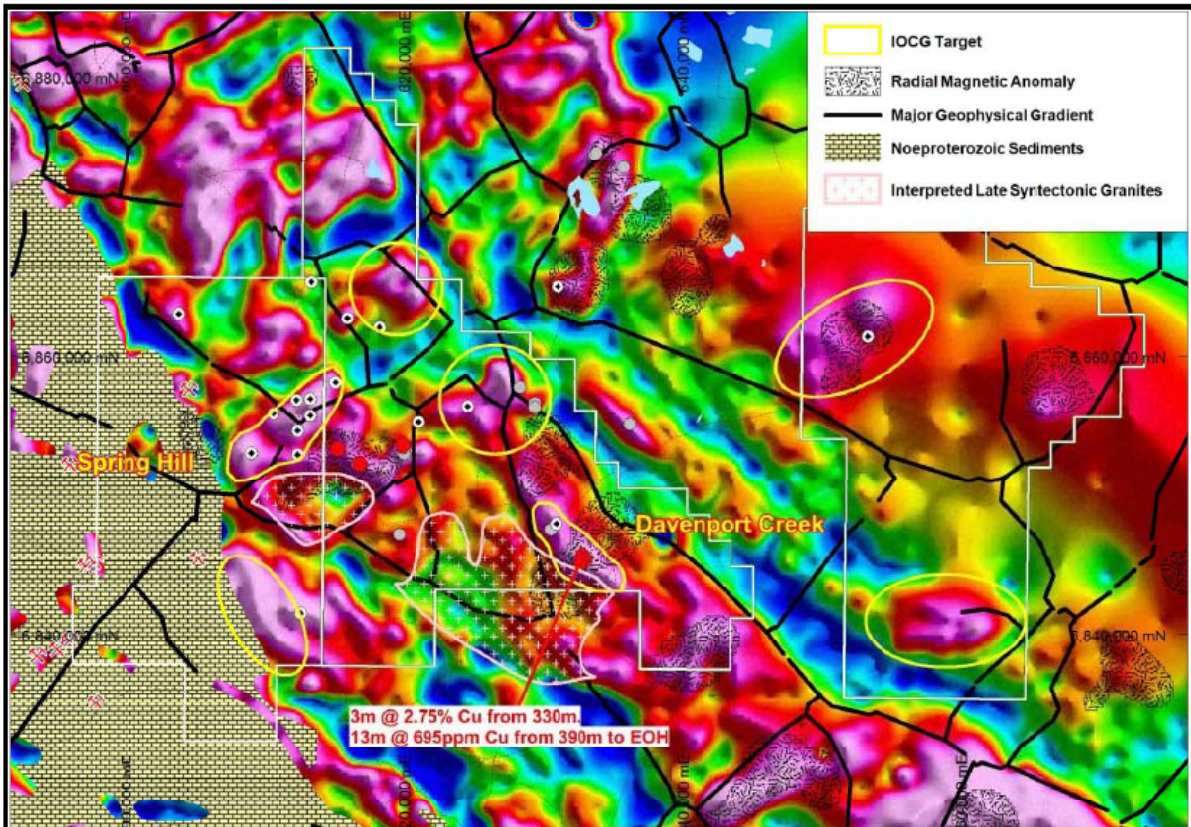


Figure 2. Falcon Minerals IOCG Targets (yellow) with radial magnetic anomalies and major geophysical gradients on a residual Bouguer gravity image (source Falcon Minerals Information Memorandum). (Note eastern tenement has been relinquished by Falcon)

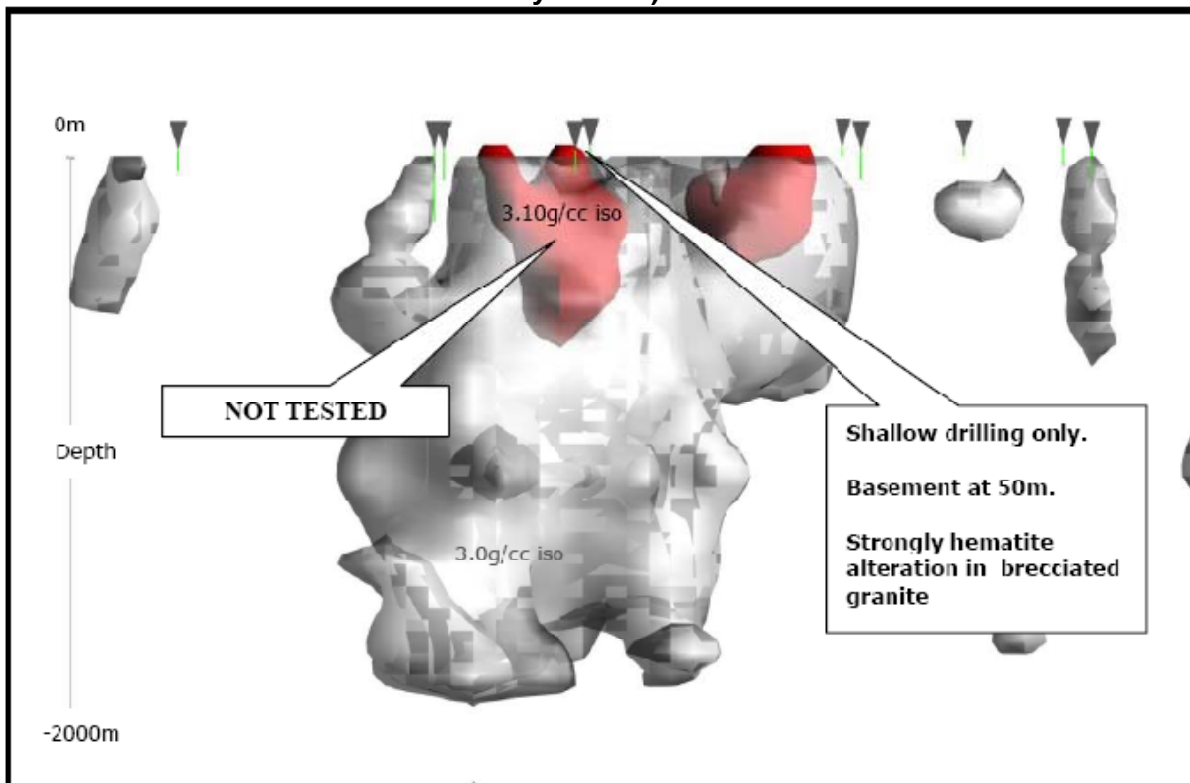


Figure 3. 3D gravity inversion model for the Spring Hill prospect (looking to the northwest) showing dense (>3g/cc) isosurfaces and historic drill hole positions. (source Falcon Minerals Information Memorandum).