
NEWS

• RELEASE •

Thursday August 27, 2009

AUSTRALIAN MANGANESE LEADER TO FARM-IN

TO MONAX'S EMERGING S.A. PROJECT

Adelaide-based Monax Mining Limited (ASX: "MOX") has established a strategic alliance with leading Australian manganese producer, OM Holdings Limited (ASX: "OMH"), under an agreement to progress the Waddikee project on Eyre Peninsula in South Australia.

The agreement is a \$2 million farm-in by wholly-owned OMH subsidiary, OM (Manganese) Limited (OMM), to fund exploration on Waddikee, which comprises more than 80 kilometres strike length of the manganese host sequence and which may be prospective for economic grade deposits.

The farm-in terms provide for OMM to earn a 60% interest over the next four years in all of the ferrous minerals (manganese and iron ore) on the tenement. OMM must expend a minimum of \$250,000 in the first year before it has the right to withdraw. The agreement provides the opportunity for both OMM and Monax to enter a formal joint venture arrangement in the future.

Waddikee is located almost half way between OneSteel's three iron ore mines and the Wilgerup iron ore project, where Centrex Metals aims to commence mining and exporting high-grade hematite from mid next year.

"This firm commitment from one of Australia's largest manganese players is a clear demonstration of the strong underlying fundamentals of our Waddikee project," Monax's Chairman, Mr Robert Kennedy, said today.

"The farm-in delivers a trifecta for Monax. It secures the strategic backing of an experienced manganese producer as a driver of this project in the near-term; delivers the capital required to accelerate work programs; and sets the stage for a longer-term strategic framework that offers production, marketing and sales upside in this specialist metal to the proposed joint venture, should a mineable resource be defined."

"The agreement also reflects the pace and interest in which the broader iron ore sector on the Eyre Peninsula is being reinvigorated - and that can only add to the region's appeal to Chinese and Asian resource project investors and steel mills."

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“Monax’s Waddikee project has already demonstrated its potential as a source of high-grade manganese,” Mr Kennedy said.

“With representative samples from the project delivering up to 42.5% Mn through a laboratory scale beneficiation process and with up to 88% recovery levels, we can expect the partnership with OMM to build on this progress to date with the goal of defining a mineable resource.”

The farm-in agreement remains subject to the completion of due diligence enquiries.

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Forward-Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on management’s expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Monax Mining Limited, that could cause actual results to differ materially from such statements. Monax Mining Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

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