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ASX RELEASE

Waddikee Project farm-in agreement update

HIGHLIGHTS

- **OM Manganese withdraws from farm-in agreement for manganese and iron at Monax's Waddikee Project in South Australia.**
- **Monax maintains 100% ownership of Waddikee Project.**
- **Withdrawal provides Monax with significant opportunity to progress potential iron and graphite mineralisation.**

Monax Mining Limited (ASX: MOX) has received formal notification from OM Manganese (OMM), a wholly owned subsidiary of OM Holdings (ASX:OMH), of its withdrawal from a farm-in agreement with Monax for manganese and iron on the Waddikee Project in South Australia (Figure 1).

OMM did not earn any interest in the tenement, which remains wholly-owned by Monax.

The withdrawal provides Monax with significant exploration opportunity for potential iron mineralisation, as well as the Company's new focus on graphite at the site.

"Monax thanks OMM for its support in the search for manganese, and is grateful for the database generated by this search on the Waddikee Project," Monax Managing Director Mr Gary Ferris said.

"We believe the Waddikee tenement has significant potential for graphite and iron, and this will be the focus of future exploration at Waddikee in the near future," he said.

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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.

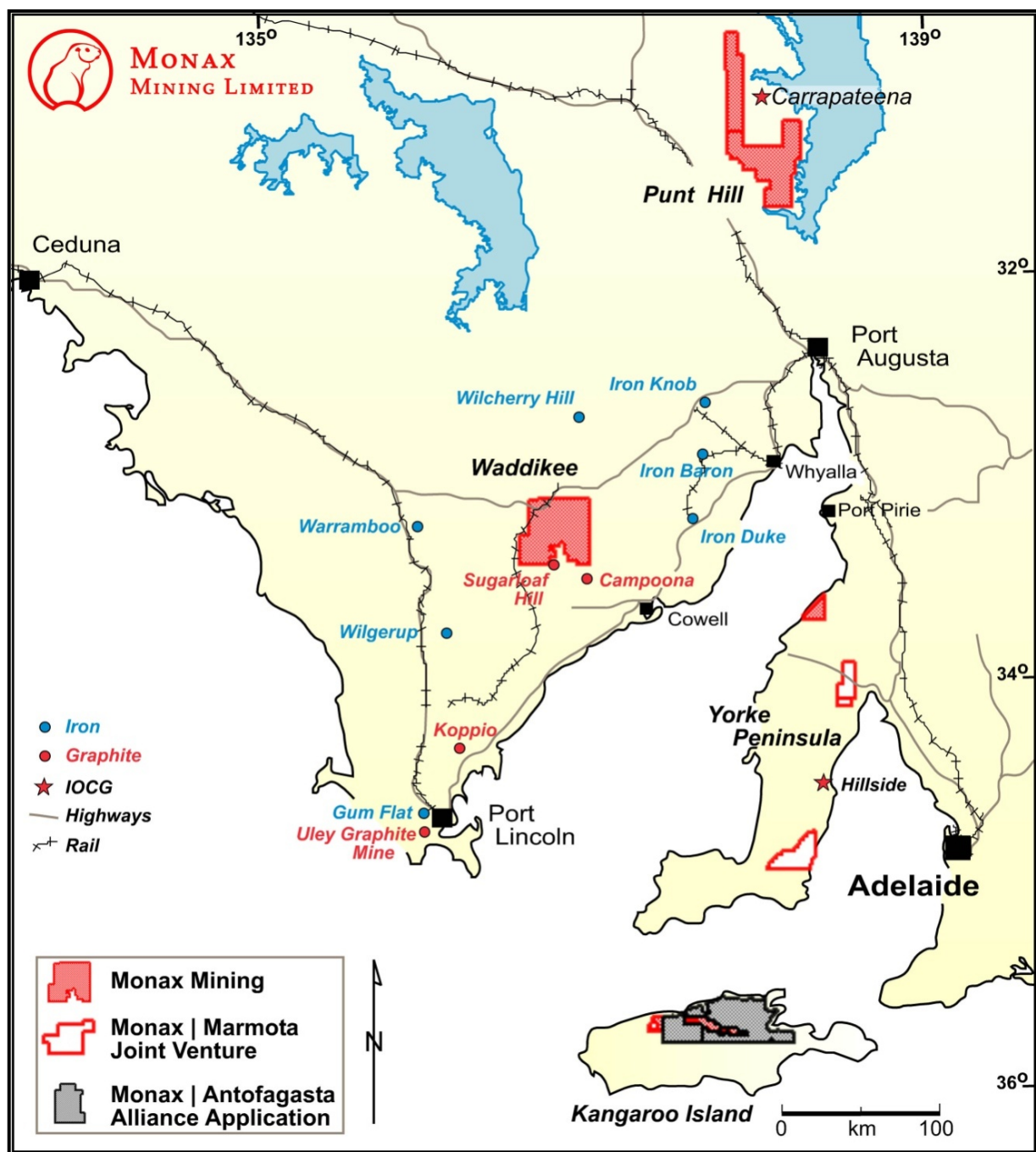


Figure 1. Location of the Waddikee Project, central Eyre Peninsula.