

24/1/06

The Company Announcements Office
Australian Stock Exchange Limited
Level 6, 20 Bridge Street,
Sydney NSW 2000

Dear Sir,

Granting of Advanced Gold Exploration Project

Highlights

- **The Gavasai gold exploration licence has been granted to Monaro Mining NL, which is located adjacent to its Sumsar uranium licence in the Kyrgyz Republic**
- **Exploration conducted in 1982 and 1983 identified six mineralised zones with average sampled grades of approximately 3 gpt gold**
- **Drilling is required to confirm depth extensions and tonnages.**

1. Gold Exploration Licence Granted

The Directors of Monaro Mining NL ("the Company") ("MRO") are pleased to announce that Zona Noblus LLC, the Kyrgyz Republic registered company that holds its uranium licences, has been granted a gold exploration licence expiring in January, 2008 covering 497 km². No additional consideration is payable by the Company other than standard licence processing fees.

2. Description

The Gavasai licence, which is located in the south west of the Kyrgyz Republic, contains a number of precious and base metal anomalies and deposits including the Nizhnekansai, Karakchebel, Kainama, Kechalma, Autsai, Namansai and Djal-Kokildak prospects which were historically prospected during Soviet times. The latter two deposits are prospective for gold mineralisation, with the Djal-Kokildak Prospect at an advanced exploration stage. The licence is considered to lie within prospective terrain, with Barrick Gold holding ground to the north and west of the tenement. The location of these prospects are indicated on **Figure 1**.

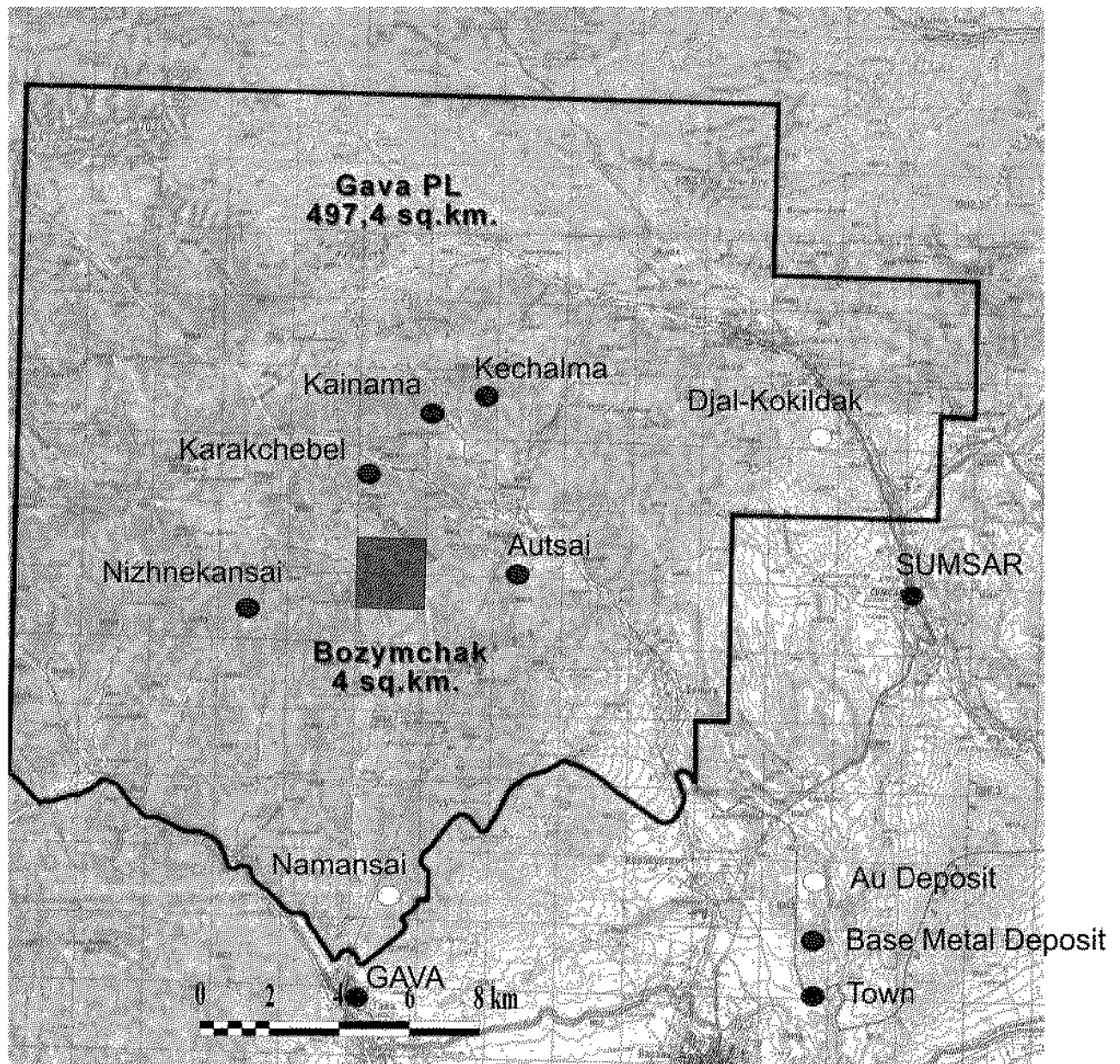


Figure 1: Gold and base-metal deposits within the Gavasai Licence Area

Gold mineralization at Djal-Kokildak is located 5 km north of Sumsar village at an altitude of 1200 – 1400m in mountain foothills. It is easily accessible all year round year via a metalled highway from Sumsar village to Chust town. A power transmission line and the Sumsar River are also close to the deposit. The Kokildak area was discovered and researched by the Sumsar Geological Expedition during the 1950's. Six trenches were channel sampled. The mineralization at Djal was discovered by the Kyrgyz Geophysical Expedition in 1982 by airborne-gamma-spectrometry followed up by ground fieldwork, which included:

- Magnetometry, 20 line km at 1:10,000 scale
- Gamma spectrometry 1000 points
- Litho-geochemical sampling 560 samples
- Channel sampling 1300 meters
- Trenching 1100 m3.

In 1983, both areas were studied again by the South-Chatkal Geological Survey, which excavated 20 trenches (890m³), 2 winzes (approx 10m depth each), 60 channel samples, several pits and 140 grab samples. A schematic geological map was composed at a scale of 1:5000. It was concluded that the two areas are interconnected and represent one single mineralized zone.

The geology of the terrain is similar to prospective ground in the Kurama Region straddling Eastern Uzbekistan and Tajikistan. Stratified volcanic rocks are cut by andesite - dacite and dacite porphyry dykes. This dyke belt is traced due west-north-west and is controlled by two fracture zones. Mineralisation is associated with zones of hydrothermal alteration represented by propylitization, silicification and hematization. Anomalous potassium, with K₂O content in the range 4-8%, appears to be a feature. Silver-gold mineralization (free gold and disseminated) occurs in quartz-hematite veins and stockwork located within the propylitized volcanic rocks (gold grades of up to 10 g/t and silver up to 15 g/t have been recorded). Several trench assays from propylitic-altered breccia zones showed average gold grades of 3-10 g/t over a maximum 5m length at surface. Based on the above work, six mineralised-bearing zones have been established (see **Figure 2**). It is furthermore considered that there is undiscovered potential both along strike and dip, particularly the area between Zones II and III which is hidden beneath Quaternary cover.

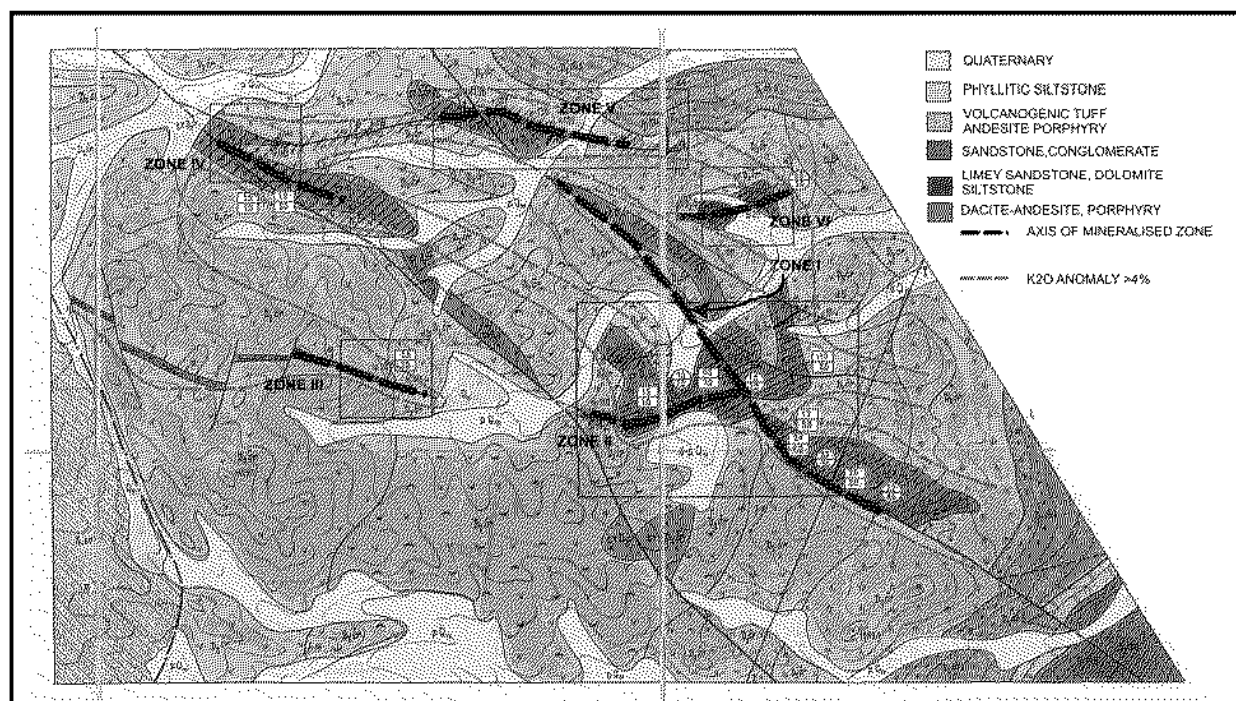


Figure 2: Mineralised Zones at Djal-Kokildak

Information at hand indicates that these mineralised zones have strike lengths of between 200 and 600m, are between 1 to 5m thick and have gold grades which vary between 1.5 and 10 gpt. The average grade is approximately 3.0 gpt. Based on a comparison with geological models from similar targets in the Kurama region, Soviet assessments have tended to extrapolate the mineralisation down-dip for 200 to 300m to provide the basis for a low level of confidence resource calculation (P₂).

It should be noted that the Soviet system of resource calculations can only be considered as conceptual due to inadequate sample density and over-reliance on the extrapolation of the geological model. It is not recognized as being adequate for the JORC Code standards and further work including drilling is required before a determination can be made. Furthermore, there is no guarantee that this work will enable the calculation of JORC Code compliant mineral resources.

Commenting on the acquisition, Chairman Warwick Grigor said;

“The granting of the Gavasai exploration licence is an added bonus for Monaro, particularly because of the advanced state of the exploration already conducted. The licence is logistically quite convenient, being adjacent to the Sumar uranium exploration licence. The Company intends to fast track the delineation of JORC compliant resources, with a view to develop gold and uranium projects in parallel”.

A handwritten signature in black ink, reading 'Mart Rampe'. The signature is fluid and cursive, with the first name 'Mart' and last name 'Rampe' clearly distinguishable.

Mart Rampe
Executive Director

Competent Person

*The review of exploration activities and results contained in this report is based on information compiled by **Mr Mart Rampe**, a Member of the Australasian Institute of Mining and Metallurgy.*

He is a director of the Company and a full time employee of Harvest Exploration Pty Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mart Rampe consents to the inclusion of this information in the form and context in which it appears in this report.

Further Information

For further information please contact Mart Rampe, Executive Director, on (02) 46479566 or Warwick Grigor, Chairman, on (02) 92470077.