

16 June 2009

ASX ANNOUNCEMENT

Dear Shareholder,

The next year is set to be a busy and exciting time for everyone involved with the Company and especially for our shareholders.

Following the merger with Uranium King Limited in 2008 and the successful implementation of the merger during the past year, I am pleased to report that Monaro Mining ("the Company") has emerged a stronger company with our main assets in place and a clear strategy for growth.

We recently announced a share placement ("Placement") raising approximately \$1 million after costs. The Placement, to a select group of institutional and sophisticated investors arranged by Azure Capital Pty Ltd, received strong interest and was oversubscribed.

The successful Placement reflects positively on the quality of our assets and the direction of the Company, and the funds raised will be used to further advance our key USA based uranium projects. The funds will also allow for the retention of a number of strategic claims and to further advance a number of other exploration programs.

Uranium remains our key focus

The Company remains focused on its uranium assets. Whilst the uranium market has suffered like every other commodity over the past 18 months with the spot price of U₃O₈ falling from a high of approximately US\$140 per pound in July 2007 to a bottom of US\$38 per pound recently, we remain very bullish on the longer-term potential of uranium.

Significantly, the fundamentals point to the demand for uranium outstripping supply over the next 10 years, with the supply response being delayed by a number of issues. This provides an opportunity for companies that can advance projects with the potential for high tonnage and good grades in favourable jurisdictions. A number of Monaro's uranium assets exhibit these characteristics.

Our three main uranium projects are located in the USA and they all have significant potential to be medium to large sized mining projects with demonstrably viable or potentially viable grades. These projects include:

- The Apache Basin (Arizona);
- Rio Puerco (New Mexico); and
- Apex-Lowboy (Nevada).

The Apache Basin project in Arizona

The Apache Basin project is being developed in joint venture with Vale Exploration Canada, an affiliate of Vale Inco Limited, each a wholly owned subsidiary of Companhia Vale do Rio Doce ("Vale") the world's second largest mining company.

Vale is spending US\$3.25 million to earn 60% over 3 years with a minimum spend of US\$750,000 in year 1. The Apache Basin project is highly prospective for unconformity style uranium deposits and is analogous to the prolific Athabasca Basin in Canada.

Work to date includes airborne radiometric and electromagnetic surveys and prospect mapping. The data from the airborne surveys is now being processed and interpreted and a number of exploration targets have been selected for a first phase drilling campaign due to commence at the start of Q4 2009. We envisage releasing details of the drilling program in the Q3 2009.

The Rio Puerco project in New Mexico

The Rio Puerco project is 100% owned by Monaro and we believe is a project with significant potential. The Rio Puerco project also represents a large land holding in a significant uranium province. Our land holding is surrounded by major North American uranium players such as Strathmore Minerals Corp. and Uranium Energy Corp.



The Rio Puerco project is situated in the famous Grants Mineral belt which has historically produced over 340 million pounds of uranium (or approximately 40% of all USA uranium produced). The target at Rio Puerco is roll front uranium mineralisation hosted by Jurassic sandstones, mudstones and shales.

Previously reported JORC (inferred) resources stood at 4.5 million pounds at an average grade of 0.12% U_3O_8 with significant exploration potential and we are currently updating and validating the resource estimation in order to comply with current JORC requirements. This program is designed to enhance the level of technical confidence in the deposit and to define further, a number of exploration targets.

This project has significant potential for development either by Monaro or through a Joint Venture arrangement.

Apex/Lowboy project in Nevada

The Company's third project in the USA is the Apex/Lowboy project which is 100% owned by Monaro. This project is located in Nevada and is a historic mine that produced 105,000 pounds of uranium at a grade of 0.25% U_3O_8 in the 1950's and 1960's. The ore was shipped to a mill in Salt Lake City, Utah.

The Company recently completed a detailed review and assessment of the Apex uranium deposit which resulted in the confirmation of an inferred Mineral Resource of 614,000 tonnes @ 0.07% U_3O_8 which is compliant with current JORC requirements. In addition, an exploration target of between 300,000 and 600,000 tonnes with a likely average of 500,000 tonnes of ore ranging in grade from 0.04% to 0.07% with a likely average of 0.05% U_3O_8 was identified adjacent to the existing inferred resource. It is our short term plan to conduct validation and exploration drilling together with an airborne radiometric survey over the host contact zone. It is anticipated that the latter program will identify further drilling targets.

Other uranium projects

We also have a number of grass roots and potential projects in the USA that our technical team has either identified or acquired. In addition to these USA based assets, we also have uranium projects located in the Northern Territory and in the Kyrgyz Republic.

The other USA based projects are primarily located in the south west of the USA and are considered to be at an early stage of development at the moment. However, all are conceptually robust and have in our opinion, potential for large scale, good grade uranium deposits and in some cases, uranium /gold mineralisation potential. Joint venture parties are being actively sought for these early stage projects.

Looking ahead to 2010 and beyond

The Company is now firmly focused on uranium exploration and development in the USA. We believe Monaro Mining has outstanding projects with significant upside and the Company has the potential to be a producer in the medium term. The recent successful Placement by Azure Capital Limited has provided us with additional funding and supports our claim that we have the assets and the people to realise this goal. Thank you for your support and we look forward to providing shareholders with further updates as we progress each project.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Jim Malone'.

Jim Malone
Chairman

For further information please contact Jim Malone, Chairman on +61 419537714.

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COMPETENT PERSON

The review of exploration activities and results contained in this report is based on information compiled by Mr M Rampe, a Member of the Australasian Institute of Mining and Metallurgy who is a director of the Company. 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). Mr Rampe consents to the inclusion of this information in the form and context in which it appears in this report.