

26 OCTOBER 2009

ASX ANNOUNCEMENT

MONARO MINING RAISES \$3 MILLION TO INCREASE EXPLORATION AT 100% OWNED URANIUM PROJECTS IN NORTH AMERICA

- **Successful capital raising of \$3 million to sophisticated investors**
- **Strong interest in the raising with the Placement oversubscribed**
- **Funds to be used to enhance key North American uranium projects**

Monaro Mining NL ("Monaro" and/or "the Company") is pleased to announce a Placement to sophisticated investors of 33,333,333 fully paid ordinary shares at \$0.09 per share to raise \$3 million before costs.

The Placement was strongly supported among a range of sophisticated investors, and was issued pursuant to Section 708 of the Corporations Act.

ASX Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period. Accordingly, the Placement will be issued in two tranches as follows:

- a) Tranche 1: \$1.4 million for the issue of 15,445,685 ordinary shares, to be completed within the company's 15% share issue capacity pursuant to ASX Listing Rule 7.1; and
- b) Tranche 2: \$1.6 million for the issue of 17,887,648 ordinary shares will be issued following the approval of shareholders at the Annual General Meeting to be held on 30 November 2009. More information will be provided in the Notice of Meeting to be mailed to shareholders this week.

The settlement of application funds and issue of shares for Tranche 1 is anticipated to take place on 30 October 2009. A total of 15,445,685 new ordinary shares will be issued bringing total issued capital to 118,816,915 shares. Settlement for Tranche 2 is expected to take place in early December 2009.

Monaro will use the bulk of the funds raised through the Placement to enhance the company's 100% owned uranium projects at Rio Puerco in New Mexico and Apex-Lowboy in Nevada, USA. This will include exploration and resource definition drilling, additional geophysical and geochemical surveys as well as advancing environmental and planning matters on both project areas. In addition, funding will also be applied to the Company's gold projects and general working capital requirements.



The Rio Puerco uranium project is located within the Grants Uranium Belt, one of the world's greatest uranium provinces where approximately 340M lbs of uranium has been mined and now is set to resume its position as a premier world - producing region. Monaro recently announced that an independent re-evaluation of the Rio Puerco mine data-set had resulted in a more than doubling of the project's JORC inferred uranium mineral resources.

The Company has also recently completed a detailed review and assessment of the Apex-Lowboy uranium deposit in Nevada. Based on the review, the potential to add to the existing resource both on a near-mine and regional basis was considerably enhanced.

Commenting on the Placement, the Chairman, Jim Malone said:

"We are now poised to deliver on our previous assessment of the quality of our USA assets and I believe that our shareholders will now start to see the Company being re-rated as the market absorbs the quality of the assets. There is no doubt that we are seriously undervalued in comparison to our peers and I am confident that this will be corrected over the coming weeks and months".

FURTHER INFORMATION

For further information please contact Jim Malone, Chairman on +61 4 19537714 or Mart Rampe, Executive Director, on +61 2 4647 9566.

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ABOUT MONARO MINING NL – "BUILDING A SERIOUS URANIUM COMPANY"

Monaro Mining NL is an Australian-based international exploration and pre-development company focusing on uranium. Its major assets include tenements in the USA, Central Asian Kyrgyz Republic and Australia. Monaro's objective is to be a producer in the medium term through the development of its advanced projects in the USA. Monaro shares are listed on the Australian Securities Exchange and the Frankfurt Stock Exchange and Monaro ADSs are eligible for OTC trading in the USA.