

30 NOVEMBER 2009

ASX ANNOUNCEMENT

## **CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING**

MONDAY 30 NOVEMBER 2009 AT 11AM (AEST)

### **Ladies and Gentlemen, Shareholders and Friends,**

The 2009 financial year has been one of the most challenging for global investment markets that most people can remember, however I am pleased to say that I am very optimistic about our company's future. When you are faced with tough challenges you need to make an honest appraisal of how well equipped you are to meet those challenges. You are also forced to look at what shape you might be in at the end of the battle.

There's an old football saying, "You are only as good as the cattle you have" and when I look at the quality of Monaro's "cattle" or assets, I have the confidence that we will not only overcome this year's challenges but will emerge from them in even better shape.

### **BRIGHT FUTURE FOR URANIUM AND GOLD**

I am very optimistic about the uranium and gold industries. The industry expects demand for uranium will outstrip supply by 2011 due mainly to increased demand primarily out of China and India. On the supply side, problems at Cigar Lake, delays at Olympic Dam, the USA/Russian highly enriched uranium agreement coming to an end and regulatory delays in other uranium projects will, in my view, underpin the long term uranium price. Our view on gold is that it will also maintain its historic high price because of continued strong demand.

### **FOCUS ON US ASSETS**

At Monaro, our main assets are four excellent projects in the USA and, of course, our people.

Despite the turmoil of the last 18 months we have not only been able to advance our existing brown fields projects - the Rio Puerco and Apex/Lowboy uranium projects in New Mexico and Nevada - but we have, explored, appraised, secured and joint-ventured two exciting new projects that have the potential to be world class assets - the Apache Basin uranium project and Bernard gold project, both in Arizona.

It is a credit to our United States exploration team headed by Bernie Free and John Petersen, supported by our US management team of Denis Geldard and Mike Duncan, that despite numerous distractions, they were able to identify, appraise and successfully joint venture the Arizona projects.

The Apache Basin uranium project is a joint venture with Vale Exploration Canada (Vale), a wholly owned subsidiary of the Brazilian mining giant, Companhia Vale do Rio Doce. The Bernard gold and uranium project is a joint venture with Cristol LLC, an entrepreneurial US-based minerals company. Both projects demonstrate the under-explored nature of the United States.

The projects also demonstrate the potential of the United States as a place where you are still able to secure world-class assets in a world-class jurisdiction if you know what you are doing, as our USA team clearly does. This gives us a significant advantage over other companies trying to compete for projects in the US.

Regarding our non -USA projects, it is the view of the Board that we should focus our attention, our people and our funds on the USA assets. As a result we will be reviewing options as to how best to deal with these assets as part of the overall business going forward in a way that best represents the interests of the company and enhances shareholder value. These projects include the Kyrgyz uranium assets and our New South Wales base and precious metal assets. Our focus is clearly on uranium and gold in the USA.

#### **LOOKING FORWARD TO 2009/2010 FINANCIAL YEAR**

Shareholders can look forward to seeing the results of the following programmes:

#### **RIO PUERCO URANIUM PROJECT**

This project is situated in the Grants Mineral Belt in New Mexico, a province that has produced more than 40% of all uranium mined in the USA. The Grants Mineral Belt is the USA's uranium equivalent of the goldfields in WA.

I am pleased to report that, as announced on the 19th October, the detailed, independent re-evaluation of the Rio Puerco mine data-set has resulted in a significant increase in the project's uranium resource inventory. As a result of this work, which was initiated to update the previous estimate (4.5 M lbs 0.12% U<sub>3</sub>O<sub>8</sub>) to comply with current JORC requirements the uranium resource inventory has been increased some 250 per cent to 11.4M lbs. The results of this work have dramatically exceeded the Company's expectations.

The data validates our conviction as to the quality of the Rio Puerco asset. This is a serious deposit with tremendous up-side. It is quite clear that we have barely scratched the surface in terms of defining the final size and tenor of the deposit within our claim block. The result also validates our view that the Company focus its attention on the US assets where it has the means to grow organically. Our task in the coming months will be to analyse the consultant's report in detail and plan a strategy to take this deposit to the next level and ultimately to production.

Table 1: Uranium Resource Inventory

<b>Cut Off Grade % U<sub>3</sub>O<sub>8</sub></b>	<b>Tonnes U<sub>3</sub>O<sub>8</sub> Ore</b>	<b>Average Grade % U<sub>3</sub>O<sub>8</sub></b>	<b>Tonnes U<sub>3</sub>O<sub>8</sub></b>	<b>Lbs U<sub>3</sub>O<sub>8</sub></b>
0.03	5,994,968	0.09	5,154	11,362,640
0.05	3,584,925	0.12	4,214	9,290,481
0.10	1,298,081	0.27	3,464	5,778,493



These resource estimates, which are classified as “inferred” under the JORC code, were estimated using a block model and validated using the cross sectional method. Confirmatory drilling will now be required to validate the historical drilling, define the disequilibrium and assess the potential for other metals such as molybdenum and vanadium. The Rio Puerco project is considered to hold potential for either underground mining or in-situ leach mining. A distinct advantage of the Rio Puerco project is that there is significant mining infrastructure in place including a 260 metre deep, 4 metre diameter concrete line shaft and multiple drives. This infrastructure would save the company million of dollars in mine development work should we decided to utilize underground mining as the preferred method of extraction.

As part of the re-evaluation study, the potential to increase the extent of uranium resources was also assessed as the host uranium formation extends across to other nearby claims held by the Company. Previous drilling by Monaro, together with other published data, indicates that further work is warranted to test for potential extensions.

The independent re-evaluation of the resource was completed by Mr Jerome Randabel in collaboration with Dr Drazen Vukovic, both of whom are practicing geologists.

There remains considerable potential to increase the resource at Rio Puerco. The independent study identified 1.3 to 2.6 million pounds potential on adjacent claim held by Monaro and was calculated on just 7% of the land held by Monaro at this project in the most prospective uranium province in the USA. We are planning a significant drilling campaign in 2010 following some additional resource modeling and the permitting process.

At the same time, the region, in general terms, is undergoing a significant revival, with a number of projects well advanced in terms of mine and mill permitting. The company intends to pull out all stops to tap into this resurgence.

#### **APEX/LOWBOY URANIUM PROJECT**

We expect new drilling targets will also be identified by an airborne study of the Apex/Lowboy mineralised zone, the results of which will also be due for release by December 2009.

A bond has been lodged with the State environmental authorities in expectation of a drilling program being completed during the course of this current financial year as we already have permits in place for 32 holes. Further permits will be sought on the completion of the airborne survey and after the initial drilling has been completed.

Further underscoring the project’s potential, a two-year old scoping study of the site demonstrated that a small, three-year heap leach operation was viable and economically robust. Whilst this is highly encouraging, both historic and very recent geological studies confirm that this project has significant potential to host a much larger resource than we currently have. Our focus therefore is to test this concept with a view to significantly increase our resource inventory prior to commencing further studies on bringing the project into production.



#### **APACHE BASIN PROVINCE URANIUM PROJECT**

We are expecting a significant number of drill targets to be identified following a ground assessment of numerous uranium anomalies generated by Vale's airborne survey of the project area, completed last financial year. The assessment is due by December 2009 and the drilling programme is scheduled to commence early 2010.

We are very excited by this project. It has the potential to generate multiple projects and we are delighted to have secured a partner as prestigious and experienced as Vale.

#### **BERNARD GOLD PROJECT**

Seven diamond drill holes have been completed as part of the project's first phase drilling programme. These holes were drilled to test the detachment fault controlling the system as well as Bernard gold vein. Assay results for the drilling will become available from the end of December 2009.

Again, as with Vale we are delighted to be working with an experienced professional outfit such as Cristol LLC, which is a subsidiary of a mid-tier US company with many years of exploration experience in the United States.

#### **OPTIMISTICALLY FOCUSED ON FUTURE**

There is much to look forward to and the qualities of our assets keep improving. I expect that this time next year we will be able to report significant progress at all of our projects including an increase in our resource inventory and a clearer roadmap to production.

The company has faced some obstacles during the past eighteen months because of the combined effects of the slump in uranium prices and the global financial crisis. We were also in the middle of completing a complicated merger and the ADR listing in New York when the double effects of the uranium downturn and the financial storm hit. We have responded to these events appropriately by cutting staff, contractors and reducing outgoings wherever possible.

I would like to express my gratitude to the management and the current Board of the company, and in particular our CFO Anne Adaley, for their efforts, patience and tenacity to get us through this tough period. I would also like to acknowledge Mart Rampe who resigned as a Director of the company last week. Mart has been with Monaro for the past 4 and half years in various executive roles including Managing Director and we thank him for his efforts over this time. Mart will continue with the company as the technical consultant.

The worst is now behind us and we are now optimistically focused on the future and the success of the company.



I understand that many shareholders have also suffered during this period. All I can say is that I personally, and all of the team collectively, will be doing our best to move this company forward during the next twelve months to build a solid uranium and gold company and reward our shareholders in the process.

Thank you for your continued support.

Jim Malone  
Chairman

### **FURTHER INFORMATION**

*For further information please contact Jim Malone, Chairman on +61 4 19537714*

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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.