

15 JULY 2009

ASX ANNOUNCEMENT

## **DRILLING COMMENCES ON BERNARD GOLD-URANIUM-MANGANESE PROJECT**

### **HIGHLIGHTS**

- **Project located in highly prospective western Arizona gold province with past production of 10 million ounces of gold**
- **10 hole drill program focused on gold mineralisation associated with regional “detachment faulting” and veining**
- **Recent exploration work yields highly encouraging gold assays in rock chip samples ranging from 5.1g/t to 9.6 g/t**
- **Drilling results to be available in August/September**

Monaro Mining NL (“Monaro” and/or “The Company”) is pleased to announce the commencement of drilling on its Bernard gold, uranium and manganese project located in Arizona, USA. The drilling is being funded by Cristol Enterprises LLC (“Cristol”) under the auspices of a A\$5.1M farm-in agreement with Monaro’s wholly owned subsidiary Uranium Company of Arizona LLC (“UCA”). Cristol is an exploration company based in Nevada, USA and specializes in the discovery and development of mineral projects exhibiting significant resource potential.

The Heads of Agreement is subject to the following conditions:

- UCA and Cristol will create a new limited liability company into which the Bernard claims will be transferred. Initial equity in the new company will be 100% UCA;
- Cristol is to expend a total of A\$5.1M in stages over 4 years to earn a 49% interest in the new company;
- Thereafter, further funding of the project will be on a pro-rata basis, subject to an industry standard dilution clause;
- The first stage will entail expenditures of A\$475,000 and involve a comprehensive drilling program, commencing immediately; and
- UCA to be the project manager.

## TARGETING GOLD MINERALISATION

The principal focus of the exploration program is gold mineralisation associated with “detachment faulting” occurring within a complex of sediments and intrusives of variable age. The detachment faulting tends to be a flat lying zone which separates “Upper Plate” and “Lower Plate” rocks.

Upper Plate rocks consist of a variety of lithologies varying from Paleozoic to Tertiary in age and are locally highly faulted and tectonically juxtaposed. Lower Plate units contain Proterozoic through to Mesozoic rocks which have been variably metamorphosed and altered.

Within Lower Plate rocks, there are numerous sub-parallel structures which often host gold and copper bearing breccias zones. Numerous prospect pits, open cuts, adits and shafts are located in or near these breccias zones. The Bernard gold vein is the most significant prospect within the claim block and recent rock chip sampling by the Company has confirmed the prospectivity of the project, yielding gold values between 5.1 and 9.6 g/t Au as well as high copper, zinc and lead values.

The exploration model adopted for the Bernard program is similar to that used at the Copperstone Mine (currently being operated by American Bonanza Corporation) located approximately 70 klms to the south west in a similar geological setting. This mine has produced some 500,000 oz of Au at an average grade of 3.8 g/t Au and the mine has currently defined resources of approximately 400,000 oz Au. It is considered that the Company’s Bernard claims are also prospective for deposits of this size and tenor. The Copperstone mine and the Company’s Bernard claims are located in a very prospective part of the USA as illustrated in Figure 1.

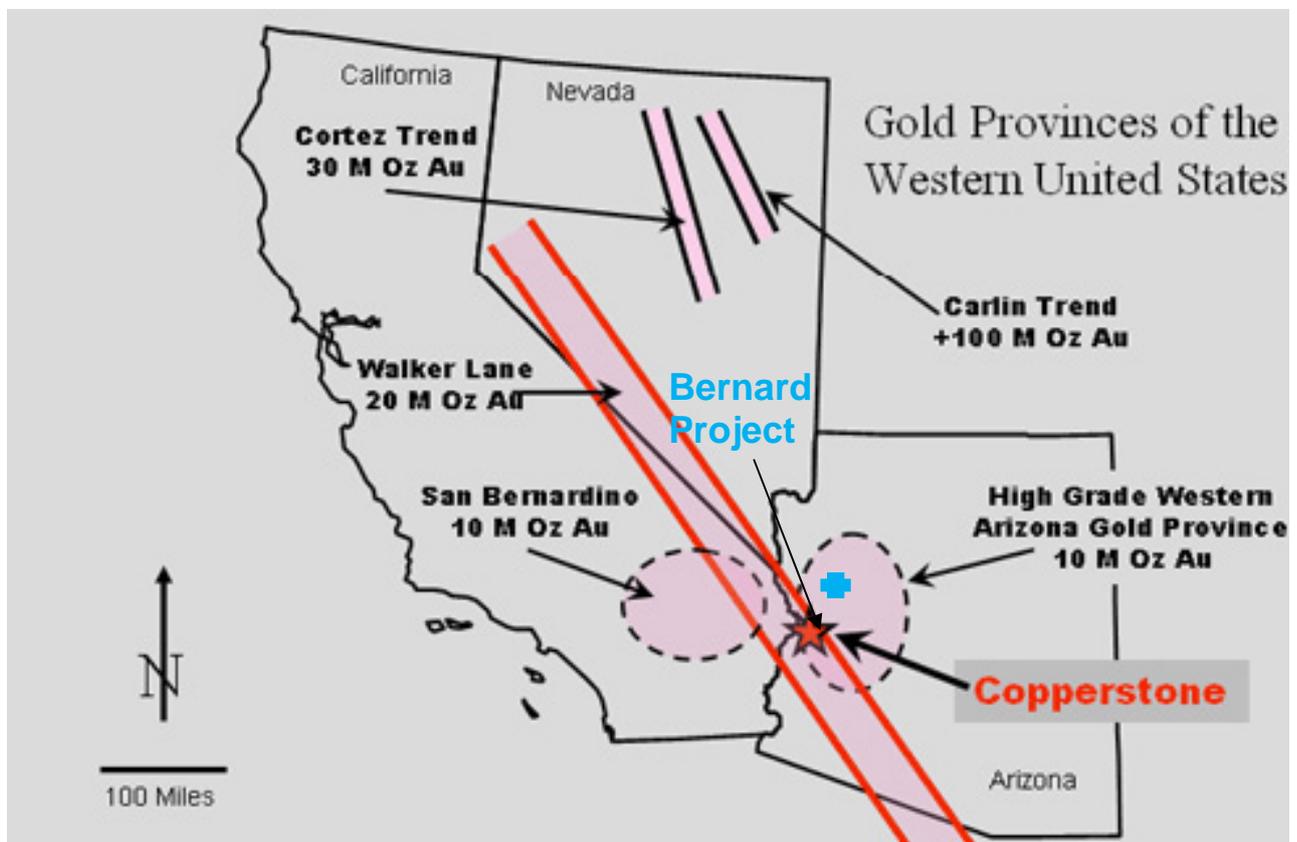


FIGURE 1: LOCATION OF BERNARD PROJECT (FROM AMERICAN BONANZA GOLD CORP, 2009)

## DRILLING CAMPAIGN

The drilling program of approximately 1200 to 1500 metres, will consist of a set of four inclined diamond drill holes to test and confirm the Bernard gold vein mineralization and another set of six vertical holes to test that portion of the detachment fault closest to the Bernard lower plate mineralization.

The project area is also prospective for uranium and manganese mineralisation and the proposed drilling will also test the potential for these two metals.

During the 1970's several uranium exploration companies drilled more than fifty holes in the Reid Basin – an area encompassing the Bernard project. Although the details of the drilling are not available it is understood that several of the holes intercepted relatively anomalous uranium mineralization in lithologies similar to those found at the Bernard project area.

In addition, uranium in the Tertiary sequence identical to that in the Bernard area has been discovered both at Anderson mine 30 kilometers to the northeast and at Artillery Peak, 20 kilometers to the north. The Anderson mine contains about 30 million pounds at 0.07% U<sub>3</sub>O<sub>8</sub>, whereas the Artillery Peak deposit encompasses a reported 1 million pounds of uranium.

Manganese ore was open pit mined from what is now the southern part of the Bernard claim block and approximately 69,000 long tons of manganese ore was mined from the Doyle open pit mine. All production came from outcropping ore with little exploration to develop additional reserves. The manganese occurs in the middle of the Tertiary sedimentary sequence lying in the upper plate of the detachment fault.

Commenting on the commencement of the drilling campaign, the Chairman, Mr Jim Malone said *"Our presence in the USA is now starting to pay dividends. Our local knowledge and expertise place the Company in an excellent position to take advantage of mineral development opportunities as they arise. The Bernard joint venture is just one example of this approach and enables us to focus on our core uranium projects, whilst at the same time, be exposed to the upside of other third party funded exploration projects. We are looking forward to releasing the results of the drilling as they come to hand"*.

## 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.*

## FURTHER INFORMATION

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

*Media Enquiries: Fortbridge – Bill Kemmery on +61 2 9331 0655*



#### ABOUT CRISTOL ENTERPRISES, LLC

Founded in 2009 by Cris Cristea and Corey Tolle, Cristol Enterprises, LLC is a Nevada, USA based exploration company specializing in the discovery and development of mineral projects exhibiting significant potential. It is a company closely associated with Arlan River LLC ([www.arlanriver.com](http://www.arlanriver.com)), whose team of experienced executives have claimed their stake in the mining industry with their recent work on the exploration and development of 36,000 acres in Southwest, Utah. Cristea and Tolle have worked with industry leaders and veteran geologists on this significant site which Arlan River claims is positioned to become a world-class copper discovery. Cristol Enterprises LLC is led by a team of executives with expertise in operations, metallurgy, geology, strategic planning, technology and investment sourcing and is a company “dedicated to exploring resources to enhance the lives of many through the innovation of mineral discoveries”.

#### 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.