

29 JULY 2009

ASX ANNOUNCEMENT

APACHE BASIN URANIUM PROJECT (ARIZONA, USA) YIELDING POSITIVE RESULTS

HIGHLIGHTS

- Field evaluation of uranium prospects and anomalies from airborne survey on-going
- Rock chip sampling detects values up to 0.20% U_3O_8
- Permitting to enable drilling to commence on the Jim and Bull claims progressing
- Vale completes its first year funding obligation of US\$750,000

Monaro Mining NL ("Monaro" and/or "the Company") is pleased to advise that exploration on the Apache Basin uranium project is yielding a number of positive results. The exploration effort is being funded by Vale Exploration Canada Inc ("VEC"), a wholly owned subsidiary of Vale S.A. ("Vale"), which has met its first year funding commitment of US\$750,000.

Under a Letter Agreement with Monaro's wholly owned subsidiary, exploration with VEC and Uranium Corporation LLC ("UCA") has continued over the last quarter, with field parties evaluating a number of airborne anomalies on the ground. A number of survey blocks have been assessed and several significant anomalies have been confirmed and new prospective areas have been delineated.



FIGURE 1: LOCATION OF APACHE BASIN PROJECT

Ground scintillometer readings of the Dripping Spring Formation in a number of areas have revealed anomalous areas that were 100-1600 cps (counts per second) higher than background. Follow up rock chip sampling and assessment by spectrographic analysis demonstrated that a number of samples are highly anomalous for uranium. Rock chip sampling of several prospects and anomalies have yielded values of between 0.064 and 0.20% U_3O_8 .

The above style of mineralisation is quite comparable to the better known deposits within the Apache basin such as Workman Creek (not owned by the Company), Jim and Red Bluff claims, Bull Claims and Sue mine.

The permitting process on the Jim and Bull claims is continuing with the view to facilitate drilling operations as soon as possible. It is now anticipated that drilling will commence in February of next year.

The basis for drilling these two prospects is based on the Unconformity model. Well developed mineralisation occurs in the Dripping Springs Quartzite, which is the upper target zone and is associated with well developed structural controls and expressed as strong linear aero-radiometric anomalies consistent in placement with the known mineralisation and structural trends. Historic records indicate that between 1953 and 1955, 3009 tonnes grading 0.19% U_3O_8 were taken from the Red Bluff mine, and much of that material still remains in stockpiles controlled by UCA. Grades of up to 2.0% U_3O_8 have been reported at Red Bluff. The Sue mine was worked between 1954 and 1956 and reportedly shipped about 500 tons of ore containing an average 0.18% U_3O_8 .

Since the Unconformity between the Apache Group and underlying basement has never been drilled in the Apache Basin, there is no data at present to guide placement of drill holes to intercept specific unconformity targets. However, the working concept is that mineralization in the Dripping Springs Quartzsite is genetically related to mineralization at the unconformity (Athabasca Basin model) and that it will be situated vertically above such deeper mineralisation. The fracture sets containing ore in the Dripping Springs Quartzite are all vertical, which supports this interpretation. The above mineralisation concepts are illustrated in Figures 2 and 3.

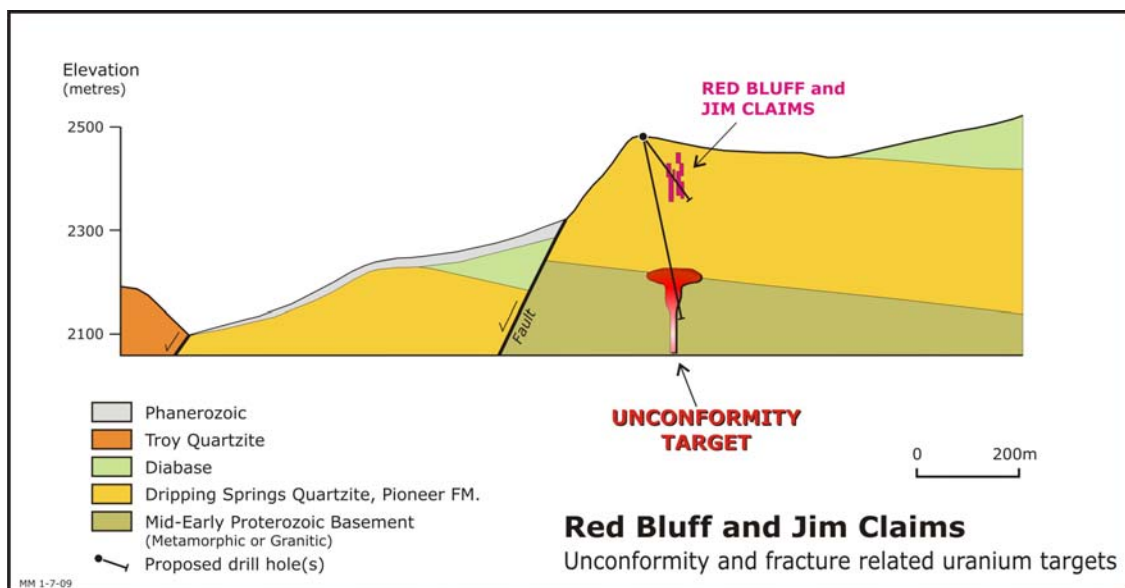


FIGURE 2: CONCEPTUAL URANIUM TARGETS AT THE JIM CLAIMS - APACHE BASIN PROJECT

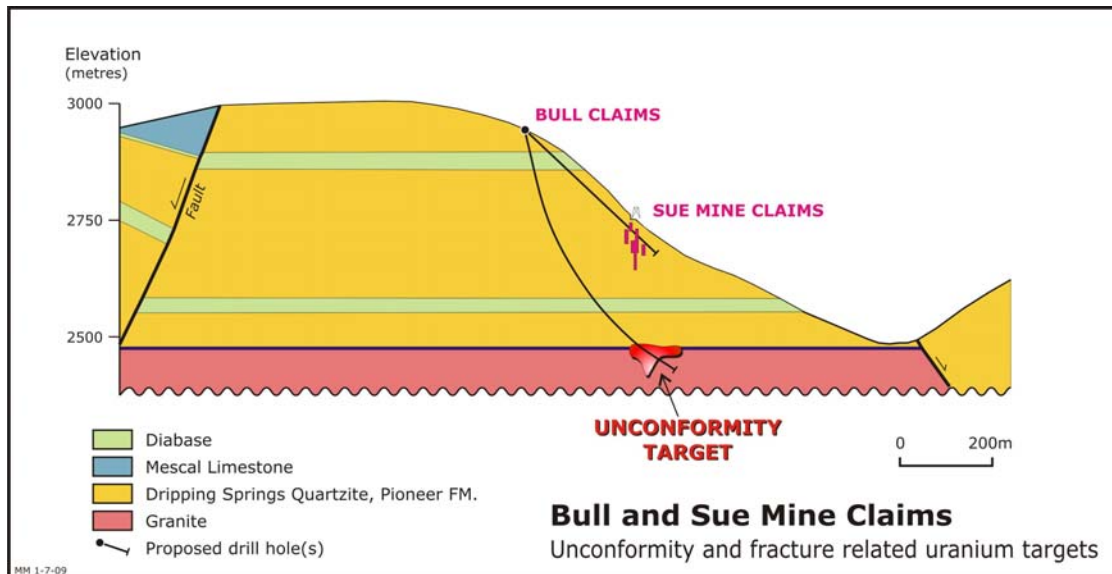


FIGURE 3: CONCEPTUAL URANIUM TARGETS AT THE BULL CLAIMS - APACHE BASIN PROJECT

Based on the currently available information, the project is highly attractive on a conceptual basis as it represents a significant regional “play” with the possibility of yielding multiple targets. The Company is confident that this potential will unfold during the coming months.

Field work by a combination of Vale personnel and UCA contractors is planned for late Third Quarter 2009. The intent of this work will be to continue field examination of high priority locations within the airborne survey area, obtain samples where required and recommend the acquisition of additional land as may be indicated by the results of the field work.

In the meantime, VEC has advised that it has met its first year funding commitment of US\$750,000.

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

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ABOUT VALE EXPLORATION CANADA, INC.

VEC is the North American exploration division of Vale, the world's second largest mining company by market capitalization with its headquarters in Brazil. Vale reported revenues of US\$38.5 billion and net earnings of US\$13.2 billion for the year ended December 31, 2008. Vale is committed to the pursuit of sustainable growth by operating with respect for the natural environment and being an ethically and socially responsible company.

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.