

**NOTES OF AN ADDRESS
BY
MART RAMPE, EXECUTIVE DIRECTOR MONARO MINING**

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**to the
2005 ANNUAL GENERAL MEETING
of the
CAPTAINS FLAT COMMUNITY ASSOCIATION
held at the
Captains Flat Community Hall
7.30pm Wednesday 26th October 2005**

Monaro Mining was listed on the Stock Market 5 weeks previously, and had raised \$3 million. Mart provided hard copies of the Prospectus which is also available online at www.monaromining.com Mart told the meeting that the website also contains up to date news, background of the company and its directors.

Mart described Monaro Mining as being a product of the mining commodities boom, in markets like China and India for example.

He described it as a very speculative business venture, looking for lead and zinc as well as gold as a possible by-product.

Twelve months ago they were looking for projects, and the Captains Flat area became “vacant”. Monaro Mining purchased a two-year exploration licence, covering an area about 4 to 5km wide, from North o Captains Flat as far south as Jerangle.

Currently they were examining historical data and digitising it, which is expected to take some months. They are also completing all the regulatory work required when forming a new company.

Significant activities are not expected to take place until next year, for example visits by geologists. Any drilling will also not take place until well into next year.

The exploration licence does not permit mining, so Monaro Mining will need to buy a mining lease if it wishes to mine as a result of the findings of the exploration.

By that time, of course, commodity prices may not remain as high, and a business decision will be made at that time.

Similarly the local environmental conditions will also come into the decision, in terms of the feasibility and economics.

Mart described having worked in the environmental field for many years and is aware of the history of Captains Flat.

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At the moment, the main contractors involved are Rangott Mineral Exploration, from Orange.

Mart then opened the session to questions and comments from the audience:

Company records – it was noted that the company records for the Captains Flat mining companies were held at DPI. Mart told the meeting that they are available over the internet in the DIGS database, but primarily for the last three decades of mining. An audience member noted that both ANU and Melbourne University have archives, and there are also records on the London Stock Exchange. Mart noted that Monaro Mining are mainly seeking data from outside the town, beyond the existing mine site.

Protocols for exploring on private land – Mart explain the process. The State owns all mineral rights, regardless of ownership of land, and sells licences to explore and leases to mine. But to access private land, an explorer must negotiate and access and compensation agreement with the land owner. The NSW Farmers Federation has a model agreement for farm land. Any agreement must be signed by both parties. The Mining Board is the ultimate arbiter if agreement cannot be reached.

Other rules apply in townships, such as not drilling within 200m of a house.

An audience member noted that ultimately the licensee has the right to explore, even on private land.

Murrumbidgee Catchment – an audience member asked if the Catchment was an issue for exploration and eventual mining. Mart responded “yes” but it was not likely to be an insurmountable obstacle, as most of the viable prospects were not near the river.

Modern exploration methods – an audience member asked about modern technology. Mart responded that airborne surveying used instrumentation looking for variations in magnetic, density and radiation. But drilling holes would always be needed too.

Share price – an audience member commented on the increase in the share price from \$0.26 to \$0.67 in just a few days. Mart responded that there are no “vendor shares”. All funds raised are going into the exploration.

Locations of prospects – an audience member noted that the prospectus is vague on the precise locations of prospects. Mart responded that this was true but the prospectus contains maps of the licence area. It was noted that the maps are not to scale and the actual prospects’ locations are not shown in detail. But Mart commented that information will be released as it becomes available, as the Australian Stock Exchange requires transparency. It was also noted that there is not limit to the depth of exploration, but lateral exploration was only permitted within the boundaries – it could not go outside the boundaries of the licence.

First option on mining – Mart confirmed that having the exploration licence gives Monaro Mining “first option” on a mining licence.

Local presence – in response to an audience member’s question, Mart noted that initially there is unlikely to be any local presence (i.e. staff located in Captains Flat). But if initial results are encouraging there may be work for local contractors etc.

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Yields – an audience member asked what level of yields were viable. Mart replied that in Captains Flat the expected yields from ore might be as much as 5-15% for zinc, for example.

Transport – an audience member asked about transport of ore or metals out of Captains Flat if mining were to take place, as this had major implications for locals. Mart responded that this would be dictated by economics, environmental factors etc. Ore may be removed by road, or possibly rail, or processed locally with the final product being transported out by road or rail.

It was noted that near the town, all mining would be likely to be underground.

It was noted that the exploration licence included rights to the tailings.

Other sites – An audience member asked about the other sites and asked if other communities were being consulted. Mart responded that although Captains Flat is not the only site, the others were more fragmented, were not near any centres of population or were totally uninhabited.

Panning – An audience member asked if panning was now prohibited. Mart replied that small scale panning in the area was still permitted.

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