



MONARCH RESOURCES LIMITED

ABN 69 100 038 266

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date and time of meeting

22 November 2004 at 2.00 p.m.

Place of meeting

Celtic Club
48 Ord Street
West Perth, Western Australia

MONARCH RESOURCES LIMITED

ABN 69 100 038 266

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the third annual general meeting of shareholders of Monarch Resources Limited ("Company") will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 22 November 2004 at 2.00 p.m.

The explanatory memorandum and proxy form accompanying this notice of meeting are incorporated in and comprise part of this notice of meeting.

AGENDA

ORDINARY BUSINESS

To receive and consider the annual financial report of the Company and the reports of the directors and auditors for the financial year ended 30 June 2004.

To consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution.

1. Re-election of Michael Kiernan as a director

"That Mr Michael Kiernan, being a director of the Company, retires by rotation in accordance with Clause 11.3 of the Constitution of the Company and being eligible for re-election, be hereby re-elected as a director of the Company."

SPECIAL BUSINESS

The special business of the meeting is to consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution.

2. Share placement facility

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the directors be authorised to allot and issue up to 5,000,000 ordinary fully paid shares in the capital of the Company at an issue price of not less than 80% of the average market price of the Company's shares (calculated over the 5 days on which sales of shares were recorded before the day on which the issue is made), with such shares to be issued to such persons as the directors in their absolute discretion may determine and otherwise upon the terms set out in the notice of meeting and explanatory memorandum."

In accordance with ASX Listing Rules, the Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board

Frank Campagna
Company Secretary

Perth, Western Australia
11 October 2004

NOTES

A member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote for the member at the meeting. A proxy need not be a member of the Company.

A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the proxy instructions on the form.

In accordance with Regulation 7.11.37 of the Corporations Regulations, the directors have determined that the identity of those entitled to attend and vote at the meeting is to be taken to be those persons who held shares in the Company as at 2.00 p.m. on 20 November 2004.

MONARCH RESOURCES LIMITED

ABN 69 100 038 266

EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared for the information of shareholders of Monarch Resources Limited ("Company") in connection with the business to be considered at the forthcoming annual general meeting of the Company and should be read in conjunction with the accompanying notice of meeting.

ANNUAL FINANCIAL REPORT

The financial report of the Company for the year ended 30 June 2004 (including the financial statements, directors' report and auditors' report) was included in the 2004 annual report, which was distributed to shareholders along with this notice of meeting.

Time will be allowed during the annual general meeting for consideration by shareholders of the financial report and the associated directors' and auditors' reports.

RESOLUTION 1 - RE-ELECTION OF MICHAEL KIERNAN AS A DIRECTOR

The Constitution of the Company requires that one third of the directors in office (other than any managing director) must retire at each annual general meeting.

Mr Michael Kiernan therefore retires at the forthcoming annual general meeting in accordance with the constitution and being eligible, has offered himself for re-election at the meeting.

Mr Kiernan is a founding director of the Company. He has over 30 years experience in the transport, processing and mining contracting industries. Mr Kiernan's experience includes manganese, chromite, gold, iron ore, nickel, barytes and tin projects. He has held executive positions with Australia's major transport and mining contractors and is currently Managing Director of Consolidated Minerals Limited.

RESOLUTION 2 - SHARE PLACEMENT FACILITY

Resolution 2 seeks the approval of shareholders for a share placement facility of up to 5,000,000 ordinary fully paid shares, which the directors may utilise to raise additional working capital for the Company.

As at the date of this notice of meeting there has been no decision by the directors whether to issue these shares. The directors believe that it is prudent for the Company to have a share placement facility available so that additional equity funds can be raised if considered necessary. If not utilised, the facility would lapse 3 months after the date of the meeting.

ASX Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its issued capital in any 12 month period, without the prior approval of its shareholders (subject to certain exceptions). Accordingly, shareholder approval is being sought under Listing Rule 7.1 for the issue of up to 5,000,000 shares in the Company.

In accordance with ASX Listing Rule 7.3 the following information is provided to shareholders:

- (a) the maximum number of securities that may be issued under Resolution 2 is 5,000,000 fully paid shares.
- (b) any shares issued in accordance with Resolution 2 will be issued and allotted within 3 months from the date of the annual general meeting (or such later date as approved by ASX).

- (c) the shares will be issued at a price which is not less than 80% of the average market price of the Company's shares, calculated over the last 5 days on which sales in the Company's shares were recorded on ASX.
- (d) as at the date of this notice of meeting there has been no decision by the directors to issue any shares. Accordingly, the names of any allottees or proposed allottees are not known. The allocation of shares will be at the discretion of the directors provided that no related parties of the Company or their associates will participate in any share placement.
- (e) any shares issued pursuant to Resolution 2 will rank equally in all respects with existing ordinary fully paid shares on issue in the Company.
- (f) funds raised by the issue of any shares will be used as additional working capital for the Company, primarily in relation to ongoing exploration and evaluation of the Company's mining projects. In addition, the directors will continue to evaluate other resources projects in which the Company may participate.
- (g) as noted above, no decision has been made by the directors on whether to utilise the share placement facility and accordingly, it is not known whether any allotments will occur as a single allotment or will occur progressively. However, it would be likely that any issue of shares will be made as a single allotment.

GLOSSARY OF TERMS

"ASIC" means Australian Securities and Investments Commission;

"ASX" means Australian Stock Exchange Limited;

"ASX Listing Rules" means the official listing rules of ASX;

"Company" means Monarch Resources Limited;

"Constitution" means the constitution of the Company as amended from time to time;

"Corporations Act" means the Corporations Act 2001 (Commonwealth);

"Corporations Regulations" means the Corporations Regulations 2001 (Commonwealth).

MONARCH RESOURCES LIMITED

ABN 69 100 038 266

PROXY FORM

Company Secretary
Monarch Resources Limited
62 Colin Street
West Perth Western Australia 6005

FACSIMILE: (08) 9481 6433

I/We _____

being a member of Monarch Resources Limited,

holding _____ shares in the capital of the Company,

hereby appoint _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the annual general meeting of the Company to be held on 22 November 2004 at the Celtic Club, 48 Ord Street, West Perth, Western Australia, and at any adjournment thereof. If no voting directions are given, the Chairman will vote in favour of each resolution.

Instructions on voting

	FOR	AGAINST	ABSTAIN
Resolution 1 Re-election of Michael Kiernan as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Share placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he/she has an interest in the outcome of the resolution and votes cast by him/her other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote in favour of each resolution.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

Dated this _____ day of _____ 2004

Individuals and joint holders to sign:

Companies to sign (affix common seal if applicable):

Signature

Director, or sole director and sole secretary
(please delete as applicable)

Signature

Director or Company Secretary

VOTING BY PROXY

1. A member of the Company entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (who need not be a member) to attend and vote on his/her behalf.
2. If the member is entitled to cast two or more votes at the meeting, they may appoint two proxies. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then each proxy may exercise half of the votes.
3. The proxy form must be received at the Company's registered office at 62 Colin Street, West Perth, Western Australia, 6005, or by facsimile on (08) 9481 6433 and in both cases, not less than 48 hours before the time of holding of the meeting.
4. In the case of joint holders of shares, the vote of the senior who tenders a vote, whether in person or by proxy, attorney or representative, must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the register.
5. An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney, duly authorised in writing or, if the appointor is a corporation, under seal. A copy of the power of attorney must be lodged for any proxy appointed under a power of attorney.
6. A proxy for a corporation must be appointed under the common seal of the corporation or signed in accordance with the requirements of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company; or
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary, that director.

For the Company to rely on the assumptions set out in Sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

7. If no voting instructions are marked on the proxy form then the proxy may vote as he/she thinks fit or may abstain from voting.

If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on a poll and the shares the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned and the nominated proxy does not attend the meeting, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the meeting which do not contain a direction how to vote will be used to support each of the resolutions proposed in the notice of meeting.