QUARTERLY ACTIVITIES REPORT
FOR THE QUARTER ENDED 30 JUNE 2005

Summary of the quarter

The following is a summary of the exploration and corporate activities of Monarch Resources Limited for the quarter ended 30 June 2005.

- Monarch has announced the appointment of Mr John Davis as Managing Director. Mr Davis is a qualified geologist with over 30 years experience within the mining industry. He was the founding Managing Director of Pilbara Mines Limited – now Jabiru Metals Limited – and has also held senior positions with a number of mining companies in Australia and Southern Africa. Mr Davis will take up his appointment on 22 August 2005.

- During the quarter, a RAB/aircore drilling program totalling 57 holes for 3084 metres was completed over the Richard anomaly located within the Mt Gordon prospect. The program was designed to follow-up encouraging intersections obtained from previous drilling, which included 5 metres @ 7.15 g/t Au from MGRB 0565 and 12 metres @ 0.6 g/t Au from MGRB 559. The best result from the follow-up drilling was 4 metres @ 0.77 g/t Au from 16 metres in MGRB565.

- The results of a reconnaissance MMI soil sampling program over two anomalies at the Lake Hope prospect were received during the quarter. At the Frederick anomaly, anomalous nickel, cobalt and chrome results were obtained over a large area, semi-coincident with a complex airborne magnetic anomaly. One of the nickel values obtained is considered to be indicative of channel facies ultramafic rocks.

  At the Louis anomaly, 4 kms to the north, a lower order multi-element geochemical anomaly was obtained over a linear airborne magnetic anomaly which has a coincident airborne EM anomaly associated with it.

- In the light of Monarch's maturing project areas at Lake Johnston, investigations continued for new exploration properties aimed at strengthening Monarch's exploration base and adding value for shareholders.

EXPLORATION ACTIVITIES

Monarch holds interests in a portfolio of mining tenements located in Western Australia. The Lake Johnston project area is located approximately 540 kms south-east of Perth in the geologically prospective Lake Johnston Greenstone Belt. The project consists of five distinct prospect areas - Mt Day, Mt Gordon, Lake Hope, Plover Rock and Round Top Hill.

Monarch also holds interests in other project areas located in the Eastern Goldfields, near historical gold and nickel mining centres.

Monarch's primary exploration target is gold.

During the quarter under review, Monarch completed a RAB drilling program at the Mt Gordon prospect and conducted a reconnaissance MMI soil sampling program at the Lake Hope prospect.

Lake Johnston project

Mt Gordon prospect

The Mt. Gordon area covers a broad belt of Archaean basalts that are extensively intruded by dolerites, gabbros and narrow ultramafic units. Numerous small granitic intrusions also occur throughout the area. Recent lake sediments and aeolian sands cover much of the Archaean sequence.

During the previous quarter, Monarch announced encouraging results from a RAB drilling program at the Richard anomaly. The best result was from MGRB 0565 which intersected 5 metres @ 7.15 g/t Au from 24 metres on the contact of transported and insitu clays. Other anomalous gold results were obtained from the same general area.

To investigate these results, Monarch undertook a RAB/aircore drilling program totalling 57 holes for 3,084 metres. Short vertical holes were drilled to test the potential for alluvial/eluvial gold at the base of transported overburden and deeper angled holes were drilled to test the potential for gold in weathered and fresh rock. The holes covered a potential strike length of 500 metres and were drilled on an 80 metre by 100 metre pattern with some 50 metre by 20 metre infills.

The best result came from MGRB 0651 that intersected 4 metres @ 0.77 g/t Au from 16 metres. The result occurred in thick lake clays well above the base of transported overburden. It is closely associated with the MGRB 0565 intersection.

Other anomalous intersections (>0.1 g/t Au) were all obtained from semi-weathered gabbros, close to the base of weathering.

All anomalous intersections are tabulated below:

Mt Gordon - 'Richard' Anomaly. RAB in-fill Program - Anomalous Intersections >0.1 g/t Au						
Hole ID	From (M)	To (M)	INT (M)	Assay (g/t Au)	Lithology	Comments
MGRB 0597	76	78	2	0.25	weathered gabbro	EOH
MGRB 0599	52	56	2	0.11	clay	
Ditto	72	74	2	0.55	biotitic gabbro	EOH
MGRB 0624	52	56	4	0.12	gabbro	EOH
MGRB 0625	70	71	1	0.14	foliated mafic	EOH
MGRB 0635	52	56	4	0.12	clayey mafic	
MGRB 0647	60	64	4	0.27	leuco gabbro	near EOH
MGRB 0651	16	20	4	0.77	lake clays	Well above BOA
Ditto	28	32	4	0.10	base of alluvials	

Table 1 Anomalous gold Intersections from the Richard anomaly.

Monarch will now carefully review all exploration results and data for the Mt Gordon prospect with a view to generating further targets.

Lake Hope prospect

The Lake Hope prospect occurs on the western side of the Lake Johnston Greenstone Belt, approximately 27 kms south south-east of the Emily Ann nickel mine. The tenement covers outliers of the Lake Johnston Greenstone Belt (metasediments, mafics and ultramafics) surrounded by granite substrate.

Two discrete airborne magnetic anomalies (Louis and Frederick) occur along the eastern margin of E63/780 at Lake Hope. The southern anomaly, Frederick, is complex in shape and covers an area of 5 km². The northern anomaly, Louis, occurs approximately 4 kms north of Frederick and is linear in shape striking south-southeast for a distance of over 3 kms. An isolated airborne electro-magnetic (EM) survey line previously flown by Lionore, located a TEM conductor on the northern extremity of the Louis anomaly.

During the quarter, an MMI soil sampling program was carried out over both anomalies to assess their potential to host nickel sulphide deposits.

Samples were collected on a 200 metre by 100 metre, staggered pattern over both anomalies and were analysed for a multi-element suite including nickel, cobalt, chrome, cerium, palladium and platinum

At the Frederick anomaly, the MMI results reveal a complex multi-element anomaly for all elements sampled except platinum. The anomaly defines a semi-circular shape around the base of a low hill of siliceous sediments, beyond which thick soil cover obscures the bedrock. The best nickel value obtained was >10,000ppb Ni. Case histories of this sample technique over known nickeliferous rocks in the Eastern Goldfields suggest that values of this magnitude represent the presence of underlying channel facies ultramafic rocks. Lower order nickel anomalies extend over approximately 4 km² and cover most of the magnetic anomaly. High chrome values obtained in some areas of the survey confirm the ultramafic nature of the rocks.

At the Louis anomaly, a weaker multi-element response was obtained. The response is broadly coincident with the airborne magnetic anomaly. A number of results of >1000ppb Ni were obtained from an area largely covered by gypsiferous sand dunes along the eastern edge of Lake Hope. The source of the anomaly is presumed to be ultramafic rocks and banded iron formation, covered by the dunes. An airborne TEM anomaly, coincident with the airborne magnetic anomaly occurs at the northern end of the prospect.

Republican nickel project

Monarch and Bullion Minerals Limited jointly hold an option over the Republican project (E15/661), which is located 45 kms south-east of Kalgoorlie. Bullion is operator of the project and is responsible for gold exploration. Under a farm-in agreement, Equinox Resources Limited has the right to explore for nickel on the Republican tenement area.

Equinox, operators of the nickel joint venture, completed a ground TEM survey over the Orleans Prospect during the quarter. The survey did not locate any conductors in the area of the previously defined MMI soil anomaly. A row of RAB holes is planned to test the ultramafic rocks for disseminated nickel sulphides.

Project development

Monarch continued a comprehensive investigation of new resources projects during the quarter. The search is focused on gold projects within Western Australia which offer advanced gold potential but other commodities and regions are also under consideration.

This work has identified project opportunities which are under active consideration.

CORPORATE ACTIVITIES

In early July, Monarch announced the appointment of John Davis as Managing Director. Mr Davis is a qualified geologist and has over 30 years experience within the mining industry. He was the founding Managing Director of Pilbara Mines Limited – now Jabiru Metals Limited.

Mr Davis has also held senior positions with a number of companies in Australia and Southern Africa, including as Exploration Manager for Gold Mines of Australia Ltd and Supervising Geologist for Metana Minerals NL between 1987 and 1993. Mr Davis is a corporate member of the Australian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mr Davis will take up his appointment effective from 22 August 2005.

Monarch's current working capital position comprises cash and current debtors of $206,000 and trade creditors of $18,000. Monarch also has a short term credit facility of $600,000 through a financial institution. The directors of Monarch are continuing to evaluate funding alternatives to provide ongoing working capital for the Company.

A total of 1,615,625 listed options were exercised during the quarter. The issued share capital of Monarch at the end of the quarter comprised 48,947,877 shares and 18,730,250 options.

Michael Kiernan
Director

So far as it relates to ore and mineralisation, this report is based on information compiled by Mr John Mill, who is a Member of the Australian Institute of Geoscientists and who has had more than five years relevant experience in the field of activity being reported on. This report accurately reflects the information compiled by Mr Mill. Mr Mill has consented to the inclusion of this information in the form and context in which it appears in this report.

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Appendix 5B

Mining exploration entity quarterly report

Name of entity

Monarch Resources Limited

ACN or ARBN

100 038 266

Quarter ended ("current quarter")

30 June 2005

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for:	(a) exploration and evaluation	(170)	(792)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(82)	(272)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		2	12
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other: net cash flow from goods and services tax		6	(2)
	Net operating cash flows		(244)	(1,054)
Cash flows related to investing activities				
1.8	Payment for purchases of:	(a) prospects	-	(1)
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.10	Loans to other entities		-	(13)
1.11	Loans repaid by other entities		-	-
1.12	Other		-	-
	Net investing cash flows		-	(14)
1.13	Total operating and investing cash flows (carried forward)		(244)	(1,068)

1.13	Total operating and investing cash flows (brought forward)	(244)	(1,068)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	220	1,010
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	120
1.17	Repayment of borrowings	(20)	(20)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	200	1,110
	Net increase/(decrease) in cash held	(44)	42
1.20	Cash at beginning of quarter/year to date	236	150
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter (Note 1)**	192	192

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	26
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to directors and director-related entities for directors fees and the provision of technical advisory and management services to the consolidated entity.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	600	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	100
4.2	Development	-
	Total	100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	24	30
5.2	Deposits at call	168	206
5.3	Bank overdraft	-	-
5.4	Other	-	-
	Total: cash at end of quarter (item 1.22)	192	236

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)* Redeemable convertible preference shares				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities** Fully paid shares	48,947,877	48,947,877		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,615,625	1,615,625	20 cents	20 cents
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)* Options over fully paid shares	18,730,250	18,730,250	*Exercise price* 20 cents	*Expiry date* 31.07.06
7.8	Issued during quarter Options over fully paid shares				
7.9	Exercised during quarter Options over fully paid shares	1,615,625	1,615,625	20 cents	31.07.06
7.10	Expired during quarter Options over fully paid shares				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2. This statement does ~~/does not* (delete one)~~ give a true and fair view of the matters disclosed.

Sign here: *Frank Campagna* Date: 28 July 2005
(~~Director/~~Company Secretary)

Print name: FRANK CAMPAGNA

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3. Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5. Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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