MONARCH RESOURCES LIMITED

ABN 69 100 038 266

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date and time of meeting

25 November 2005 at 10.00 a.m.

Place of meeting

Constitutional Centre of Western Australia
Corner of Havelock Street and Parliament Place
West Perth, Western Australia

MONARCH RESOURCES LIMITED
ABN 69 100 038 266

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fourth annual general meeting of Shareholders of Monarch Resources Limited ("Company") will be held at the Constitutional Centre of Western Australia, corner of Havelock Street and Parliament Place, West Perth, Western Australia on Friday, 25 November 2005 at 10.00 a.m.

The Explanatory Memorandum and proxy form accompanying this Notice are incorporated in and comprise part of this Notice.

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 2005.

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

1. Re-election of Colin Smith as a Director

"That Mr Colin Lindsay Smith, being a Director of the Company, retires by rotation in accordance with Clause 11.3 of the Constitution and being eligible for re-election, be re-elected as a Director."

2. Re-election of John Davis as a Director

"That Mr John Maxwell Davis, being a Director of the Company, retires in accordance with Clause 11.12 of the Constitution and being eligible for re-election, be re-elected as a Director."

To consider and if thought fit to pass with or without amendment the following resolution as a non-binding resolution.

3. Remuneration report

"That for the purposes of Section 250R(2) of the Corporations Act, the Company adopt the Remuneration Report."

SPECIAL BUSINESS

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

4. Issue of Incentive Options to John Davis

"That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 2,100,000 Incentive Options to Mr John Davis (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on this Resolution by John Davis (or any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed) and any associates of those persons.

5. Issue of options to Colin Smith

"That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 1,000,000 Options to Mr Colin Smith (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on this Resolution by Colin Smith (or any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed) and any associates of those persons.

6. 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 Shares at an issue price of not less than 80% of the average market price of 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 Explanatory Memorandum."

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.

By order of the Board

Frank Campagna
Company Secretary

Perth, Western Australia
10 October 2005

VOTING EXCLUSION NOTE

Where a voting exclusion applies 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.

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 10.00 a.m. on 23 November 2005.

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.

ANNUAL FINANCIAL REPORT

The financial report of the Company for the year ended 30 June 2005 (including the financial statements, directors' report and auditors' report) was included in the 2005 annual report, which was distributed to Shareholders along with this Notice.

Time will be allowed during the Meeting for consideration by Shareholders of the financial report and the associated directors' and auditors' reports.

RESOLUTION 1 - RE-ELECTION OF COLIN SMITH AS A DIRECTOR

The Constitution requires that one third of the Directors in office (other than any Managing Director) must retire at each annual general meeting.

Mr Colin Smith therefore retires at the forthcoming Meeting in accordance with the Constitution and being eligible, has offered himself for re-election at the Meeting.

Mr Smith is a founding Director of the Company. He is an independent minerals consultant with over 40 years experience, including extensive general management, corporate and directorial experience in the iron ore, gold, lead-zinc and uranium industries, primarily in Australia and Ghana. Mr Smith is currently non-executive Chairman of Consolidated Minerals Limited.

RESOLUTION 2 - RE-ELECTION OF JOHN DAVIS AS A DIRECTOR

Mr John Davis was appointed as Managing Director of the Company effective from 22 August 2005.

In accordance with Clause 11.12 of the Constitution and ASX Listing Rule 14.4, any director appointed to fill a casual vacancy or as an additional director holds office until the next general meeting of Shareholders and is then eligible for re-election.

Mr Davis therefore retires at the forthcoming Meeting in accordance with the Constitution and being eligible, has offered himself for re-election.

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 Limited 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).

RESOLUTION 3 - REMUNERATION REPORT

The Remuneration Report is contained in the Directors' Report section of the Company's 2005 annual report.

The Remuneration Report describes the underlying policies and structure of the remuneration arrangements of the Company and sets out the remuneration arrangements in place for Directors and senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. However, Shareholders should note that the vote on Resolution 3 is not binding on the Company or its Directors.

RESOLUTION 4 - ISSUE OF INCENTIVE OPTIONS TO JOHN DAVIS

Background

The Company has entered into an employment contract with John Davis in respect of his appointment as Managing Director of the Company. The key features of the Contract include the provision of a market competitive base salary and participation in any share option incentive plan or executive incentive plan of the Company.

The Board (other than Mr Davis, who has a material personal interest) believes the structure of the Contract is a cost effective way for the Company to reward Mr Davis for his commitment and expected contribution throughout the 3 year term of the Contract.

Summary of Contract

The material terms of the Contract with Mr Davis include:

(a) the term of the Contract is 3 years commencing 22 August 2005 (unless terminated earlier), with the option for a further 3 year term to be negotiated between the Company and Mr Davis;

(b) the Company shall pay to Mr Davis an annual salary package, inclusive of superannuation, which is currently $250,000 per annum (and is subject to annual review);

(c) subject to the prior approval of Shareholders, the Company will allocate a total of 2,100,000 Incentive Options to Mr Davis in the following manner:

- 700,000 Incentive Options after one year of full time employment with the Company;
- 700,000 Incentive Options after two years of full time employment with the Company; and
- 700,000 Incentive Options after three years of full time employment with the Company; and

(d) any Incentive Options allocated to Mr Davis will automatically lapse if he ceases to be employed by the Company or ceases to act as a Director; and

(e) the Contract may be terminated without cause by either party by giving six month's notice. However, subject to compliance with ASX Listing Rule 10.19, the Company has the discretion to dispose with the written notice period and immediately terminate the Contract by making payment to Mr Davis of one year's base salary in lieu of such notice, or if the balance of the term of the appointment is less than one year, then the balance of such term.

Valuation of Incentive Options

The Incentive Options have been valued using the Black & Scholes pricing model and based upon the following assumptions:

(a) the Incentive Options have a 5 year life from their date of issue and are exercisable at $0.20 each;

(b) a price per Share of $0.22 (being the Share price based on the market value at 23 September 2005);

(c) a volatility factor of 98% (based on the volatility of the Company's share price for the year prior to 23 September 2005);

(d) an interest rate of 5.28% (being the risk free interest rate on five year government bonds);

(e) the valuations ascribed to the Incentive Options may not necessarily represent the market price of the Incentive Options at the date of the valuation; and

(f) the valuation date for the Incentive Options is 23 September 2005.

Based on the above, the Incentive Options have been valued at $0.17 each.

Trading price of Shares
In the last 12 months before the date of this Notice the highest, lowest and latest trading price of Shares on ASX were:

Highest	$0.29 on 5 April 2005
Lowest	$0.145 on 22 October 2004
Last	$0.20 on 7 October 2005

Shareholder Approvals Required – Chapter 2E of the Corporations Act and ASX Listing Rule 10.11
Shareholder approval is required under Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 for the grant of the Incentive Options to Mr Davis because he is a related party of the Company.

For the purposes of sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided to allow Shareholders to assess the proposed grant of the Incentive Options:

(a) the maximum number of Incentive Options (being the nature of the financial benefit being provided) to be granted to Mr Davis is 2,100,000 Incentive Options;

(b) the Incentive Options will be granted for nil consideration, accordingly no funds will be raised from the grant of the Incentive Options;

(c) the value of the Incentive Options and the pricing methodology is set out above in this Explanatory Memorandum;

(d) Mr Davis currently does not have an interest in any securities in the Company;

(e) Mr Davis receives an annual salary of $250,000 (inclusive of superannuation). Mr Davis does not receive any other emoluments;

(f) if the Incentive Options granted to Mr Davis are exercised, a total of 2,100,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 48,967,877 to 51,067,877 (assuming that no other options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Director	Number of Incentive Options to be issued	Issued Shares at the date of this Notice	Dilutionary effect if all Incentive Options issued to Mr Davis are exercised
John Davis	2,100,000	48,967,877	4.11%

The market price for Shares during the term of the Incentive Options would normally determine whether or not the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company. Information on the trading history of the Shares on ASX in the past 12 months is set out above;

(g) the full terms and conditions of the Incentive Options are set out Annexure A;

(h) the Incentive Options will be granted to Mr Davis not later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Incentive Options will be issued on one date.

(i) the primary purpose of the grant of the Incentive Options is to provide a market-linked component of the remuneration package for Mr Davis' employment with the Company and for future anticipated performance by Mr Davis pursuant to the Contract. The Directors (other than Mr Davis) believe that this provides cost effective consideration to Mr Davis for his ongoing commitment and contribution to the Company in his role as Managing Director of the Company. Given this purpose, the Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Options upon the terms proposed;

(j) Mr Davis declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. The Directors (other than Mr Davis) are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Incentive Options as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of securities to Mr Davis will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

RESOLUTION 5 - ISSUE OF OPTIONS TO COLIN SMITH

The Company has agreed to allot and issue 1,000,000 Options to Mr Colin Smith, in consideration for his ongoing commitment and contribution to the Company as Chairman.

Valuation of Options

The Options have been valued using the Black & Scholes pricing model and based upon the following assumptions:

(a) the Options have a 5 year life from their date of issue and are exercisable at $0.20 each;

(b) a price per Share of $0.22 (being the Share price based on the market value at 23 September 2005);

(c) a volatility factor of 98% (based on the volatility of the Company's share price for the year prior to 23 September 2005);

(d) an interest rate of 5.28% (being the risk free interest rate on five year government bonds);

(e) the valuations ascribed to the Options may not necessarily represent the market price of the Options at the date of the valuation; and

(f) the valuation date for the Options is 23 September 2005.

Based on the above, the Options have been valued at $0.17 each.

Shareholder Approvals Required – Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

Shareholder approval is required under Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 for the grant of the Options to Mr Smith because as a Director, he is a related party of the Company.

For the purposes of sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided to allow Shareholders to assess the proposed grant of the Options:

(a) the maximum number of Options (being the nature of the financial benefit being provided) to be granted to Mr Smith is 1,000,000 Options;

(b) no funds will be raised from the grant of the Options;

(c) the value of the Options and the pricing methodology is set out above in this Explanatory Memorandum;

(d) the terms of the Options are set out in Annexure B;

(e) Mr Smith currently has an interest in the following securities in the Company:

Name of holder of interest	Shares	Options *
Adrienne Smith (spouse)	1,546,875	
C L Smith & Associates Pty Ltd (financial interest)	131,250	65,625

* Options exercisable at 20 cents each on or before 31 July 2006.

(f) Mr Smith receives no Directors fees from the Company. In the past two years, consulting fees have been paid to an entity associated with Mr Smith for the provision of technical advisory services. Amounts of $46,137 were paid for the year ended 30 June 2005 and $55,573 for the year ended 30 June 2004;

(g) if the Options issued to Mr Smith are all exercised, a total of 1,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 48,967,877 to 49,967,877 Shares (assuming no other options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Director	Number of Options to be issued	Issued Shares at the date of this Notice	Dilutionary effect if all Options issued to Mr Smith are exercised
Colin Smith	1,000,000	48,967,877	2.00%

The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company. Information on the trading history of Shares on ASX in the past 12 months is set out above;

(h) the primary purpose of the issue of the Options is to enable the Company to provide cost effective consideration to Mr Smith for his ongoing commitment and contribution to the Company in his continuing role as Chairman. Given this purpose and bearing in mind the exercise terms of the Options, the Directors (other than Mr Smith) do not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed;

(i) the Board acknowledges that the grant of Options to Mr Smith is contrary to recommendation 9.3 of the ASX Good Corporate Governance and Best Practice Recommendations. However, the Board considers that the grant of Options to Mr Smith constitutes valid consideration for work performed or to be performed for the Company (as set out in paragraph (h) above). As set out above, Mr Smith receives no Directors fees in his capacity as Chairman of the Board of Directors of the Company. In this role, Mr Smith provides crucial peer review of the technical and commercial aspects of the Company's operations. The Directors (other than Mr Smith) considered the extensive experience and reputation of Mr Smith within the mining industry, the current market price of the Shares and current market practice when determining the number and exercise price of the Options to be issued to Mr Smith. In addition, the Board considers the grant of the Options to be reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves;

(j) Mr Smith declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Directors (other than Mr Smith) are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution; and

(k) the Options will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Options as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of securities to Mr Smith will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

RESOLUTION 6 - SHARE PLACEMENT FACILITY

Resolution 6 seeks the approval of Shareholders for a share placement facility of up to 5,000,000 Shares, which the Directors may utilise to raise additional working capital for the Company.

As at the date of this Notice there has been no decision by the Directors as to whether to issue the Shares the subject of Resolution 6. 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 6 is 5,000,000 Shares;

(b) any Shares issued in accordance with Resolution 6 will be issued and allotted within 3 months from the date of the 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 before the day of issue;

(d) as at the date of this Notice 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 6 will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with existing Shares on issue;

(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 existing mining projects and for the evaluation and acquisition of additional resources projects; and

(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;

"Board" means the current board of Directors;

"Company" means Monarch Resources Limited;

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

"Contract" means the employment contract between the Company and John Davis for the appointment of Mr Davis as Managing Director commencing on 22 August 2005;

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

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

"Directors" means the directors of the Company;

"Explanatory Memorandum" means the explanatory memorandum to the Notice;

"Incentive Option" means an option to acquire a Share in the Company to be granted to Mr Davis pursuant to the Contract having an exercise price of 20 cents and expiring on 30 September 2010 and otherwise on the terms summarised in the Explanatory Memorandum;

"Meeting" means the annual general meeting convened by the Notice;

"Option" means an option to acquire a Share to be granted to Mr Smith on the terms and conditions set out in the Explanatory Memorandum;

"Notice" means the notice of annual general meeting accompanying this Explanatory Statement;

"Resolutions" means the resolutions set out in the Notice, or any one of them, as the context requires.

"Share" means an ordinary fully paid share in the Company; and

"Shareholder" means a shareholder of the Company.

ANNEXURE A

TERMS AND CONDITIONS OF INCENTIVE OPTIONS

(a) Each Incentive Option entitles the holder to subscribe for one (1) Share.

(b) The Incentive Options will vest to the holder in 3 tranches and are exercisable on or before 5.00 pm (WST) on 30 September 2010 (Expiry Date) on the following basis:

- 700,000 exercisable on or after 30 September 2006;
- 700,000 exercisable on or after 30 September 2007; and
- 700,000 exercisable on or after 30 September 2008.

(c) The Incentive Options will automatically lapse upon the Incentive Option holder ceasing to be employed by the Company or ceasing to act as a Director.

(d) The Incentive Option exercise price is $0.20 per Incentive Option.

(e) The Incentive Options are exercisable by completing an Incentive Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Incentive Options are exercised to the registered office of the Company on or before the Expiry Date.

(f) An Incentive Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Incentive Option can be exercised.

(g) The Incentive Options are not transferable.

(h) All Shares issued upon exercise of the Incentive Options will rank pari passu in all respects with the Company's then issued Shares.

(i) The Company will apply for quotation of all Shares issued upon exercise of the Incentive Options on ASX. The Incentive Options will not be quoted on ASX.

(j) There are no participating rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Incentive Option holders the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

(k) If at any time the issued capital of the Company is reconstructed, all rights of an Incentive Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

ANNEXURE B

TERMS AND CONDITIONS OF OPTIONS

(a) Each Option entitles the holder to subscribe for one (1) Share.

(b) The Options are exercisable at any time on or before 5.00 pm (WST) on 30 September 2010 (Expiry Date) by completing an Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company on or before the Expiry Date.

(c) The Option exercise price is $0.20 per Option.

(d) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

(e) The Options are not transferable.

(f) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.

(g) The Company will apply for quotation of all Shares issued upon exercise of the Options on ASX. The Options will not be quoted on ASX.

(h) There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(i) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

MONARCH RESOURCES LIMITED
ABN 69 100 038 266

PROXY FORM

Company Secretary
Monarch Resources Limited
28 Ventnor Avenue
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 25 November 2005 at the Constitutional Centre of Western Australia, corner of Havelock Street and Parliament Place, 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 Colin Smith as a Director	☐	☐	☐
Resolution 2	Re-election of John Davis as a Director	☐	☐	☐
Resolution 3	Remuneration report	☐	☐	☐
Resolution 4	Issue of Incentive Options to John Davis	☐	☐	☐
Resolution 5	Issue of Options to Colin Smith	☐	☐	☐
Resolution 6	Share placement facility	☐	☐	☐

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 2005

Individuals and joint holders to sign:

____
Signature

____
Signature

Companies to sign (affix common seal if applicable):

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

____
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 28 Ventnor Avenue, 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.