MONARCH GOLD
MINING COMPANY LIMITED

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19 September 2006

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

SHARE PLACEMENT

The Board of Monarch Gold Mining Company Limited (Company) is pleased to advise that the Company has raised $11.5 million (before costs) through a share placement of 50,000,000 fully paid shares at a price of 23 cents each, to institutional and sophisticated clients of Patersons Securities Limited.

Settlement of the placement will take place in two tranches. A total of 30 million shares will be issued pursuant to ASX Listing Rule 7.1, realising $6.9 million. The balance of 20 million shares representing an additional $4.6 million will be issued subject to the approval of Monarch shareholders at a meeting expected to be convened for late October 2006.

Funds from the placement will be used for ongoing exploration programmes and pre-development work on the Company's Davyhurst and Minjar projects, project acquisition and transaction costs and for general working capital purposes.

The Board of Monarch is pleased with the strong support shown by the investment community for this capital raising, in particular the introduction of a number of additional institutional investors onto the register.

The lead manager for the issue was Patersons Securities Limited.

Yours faithfully

Michael Kiernan
Chairman