MONARCH GOLD
MINING COMPANY LIMITED

ABN 69 100 038 266

SHARE PURCHASE PLAN OFFER

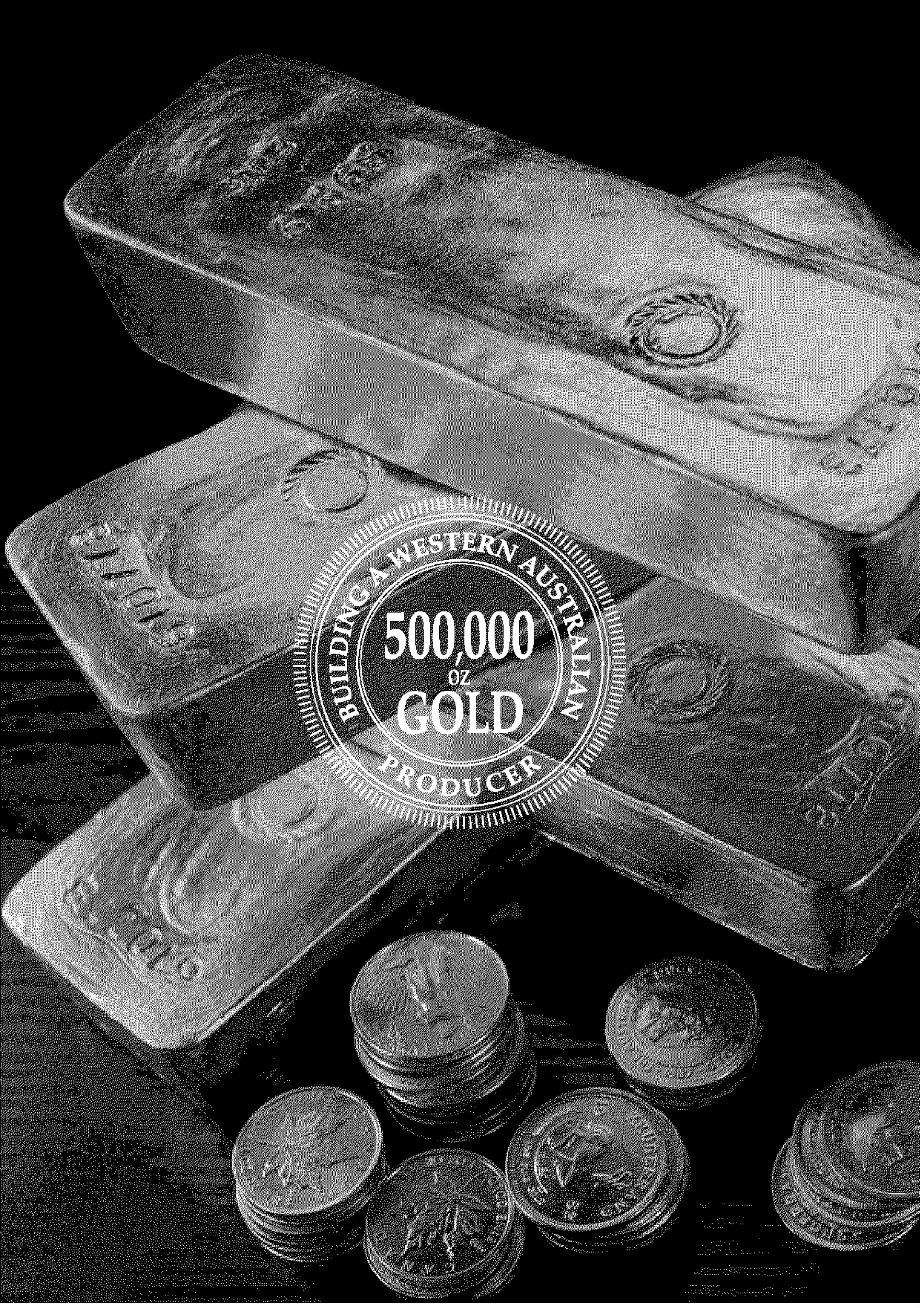
PROSPECTUS

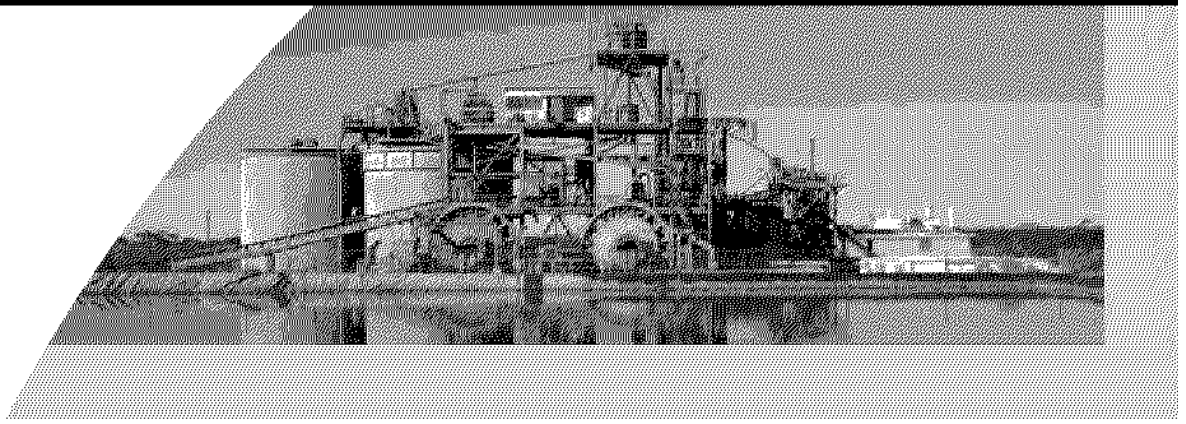
For the offer of up to 41,840,000 Shares at an issue price of 24 cents per Share to Eligible Shareholders to acquire up to 20,000 Shares each, to raise up to approximately $10,041,000 (**Offer**).

Important Notice

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The securities offered by this Prospectus should be considered as speculative.


BUILDING A WESTERN AUSTRALIAN
500,000
oz
GOLD
PRODUCER



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MONARCH GOLD
MINING COMPANY LIMITED

IMPORTANT NOTICE

This Prospectus is dated 1 February 2007 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC takes no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 13 months after the date it was lodged with the ASIC. No securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

A copy of this Prospectus can be downloaded from the website of the Company at www.monarchgold.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form for Shares unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

Timetable and Important Dates

Record Date	31 January 2007
Announcement of Offer	1 February 2007
Lodgement of Prospectus with the ASIC and ASX	1 February 2007
Opening Date	2 February 2007
Closing Date	28 February 2007*
Expected date of Official Quotation of the Shares	14 March 2007

*The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

MONARCH GOLD
MINING COMPANY LIMITED

1. CORPORATE DIRECTORY

Directors

Michael L Kiernan	Chairman
Allan J Quadrio	Managing Director
John M Davis	Technical Director
David M Macoboy	
Phillip P Botsis	
John McKee	
Michael A Etheridge	

Company Secretaries

Frank J Campagna
Keith J Vuleta

Registered Office

Level 1
23 Ventnor Avenue
WEST PERTH WA 6005

Telephone: (08) 9481 6422
Facsimile: (08) 9481 6433

Share Registry

Computershare Investor Services Pty Limited*
Level 2
45 St Georges Terrace
PERTH WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

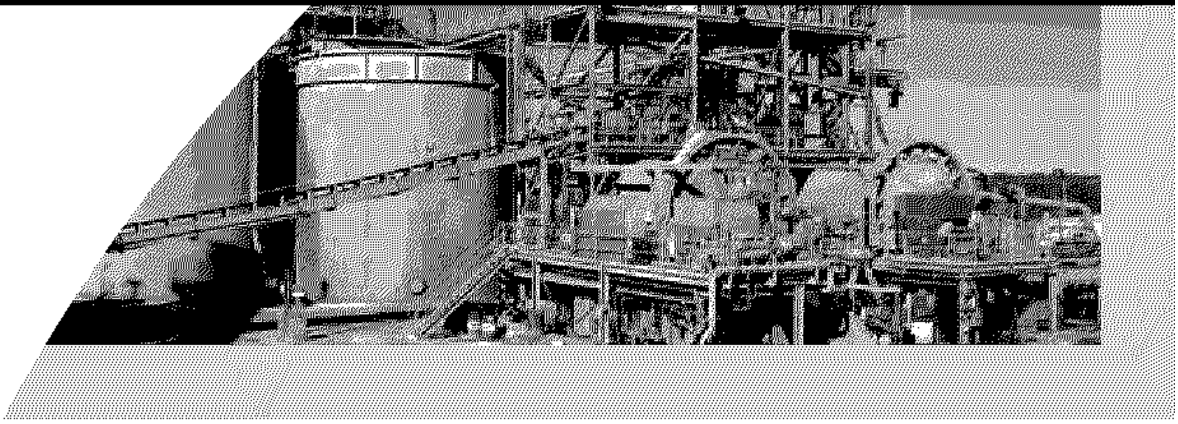
Solicitor to the Company

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Auditor

Ernst & Young*
11 Mounts Bay Road
PERTH WA 6000

*These parties are named for information purposes only and have not been involved in the preparation of this Prospectus.



2. DETAILS OF THE ISSUE

2.1 Share Purchase Plan Offer

By this Prospectus the Company invites Eligible Shareholders in the Company to apply for up to 20,000 Shares each at an issue price of 24 cents per Share payable in full on application to raise up to approximately $10,041,600.

Based on the number of Eligible Shareholders as at the date of this Prospectus the number of Shares that may be issued under the Offer is approximately 41,840,000 Shares, if all Eligible Shareholders subscribe for their full entitlement to 20,000 Shares.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

The Offer is not underwritten.

2.2 Opening and Closing Dates of the Offer

The Opening Date of the Offer will be 2 February 2007 at 9:00am WDT and the Closing Date will be 28 February 2007 at 5:00pm WDT. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

2.3 Minimum Subscription

The minimum subscription of the Offer made pursuant to this Prospectus is $2,500,000. No Shares will be allotted or issued by this Prospectus in respect of the Offer under this Prospectus until the minimum subscription is reached. If the minimum subscription is not reached within 4 months after the date of this Prospectus all application monies will be refunded in accordance with the Corporations Act.

2.4 How to accept the Offer

Your acceptance of the Offer must be made on the Application Form accompanying this Prospectus. Your application may not exceed your maximum entitlement of 20,000 Shares. If it does your application will be deemed to be for the maximum entitlement.

If you wish to participate in the Offer, you may only apply for one of the following Share lots:

(a) 20,000 Shares for a subscription amount of $4,800;

(b) 10,000 Shares for a subscription amount of $2,400; OR

(c) 5,000 Shares for a subscription amount of $1,200.

The maximum investment any Eligible Shareholder may apply for will remain $4,800 even if an Eligible Shareholder receives more than one Prospectus (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under a separate account).

Payment for the Shares must be made in full at the issue price of 24 cents per Share.

MONARCH GOLD
MINING COMPANY LIMITED

2. DETAILS OF THE ISSUE (CONTINUED)

Completed application forms and accompanying cheques may be mailed or delivered to:

By Post	By Hand
Computershare Investor Services Pty Ltd GPO Box D182 PERTH WA 6840	Computershare Investor Services Pty Ltd Level 2, 45 St. George's Terrace PERTH WA 6000

Cheques should be made payable to "Monarch Gold Mining Company Limited - Trust Account" and crossed "Not Negotiable". Completed Application Forms must reach one of the addresses set out above by no later than the Closing Date.

2.5 Allotment of Shares

Allotment of Shares will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until allotment. This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place and each applicant waives the right to claim any interest.

Where the number of Shares allotted is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no allotment is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

2.6 Market Price of Fully Paid Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: $0.28 per Share on 14 November 2006.

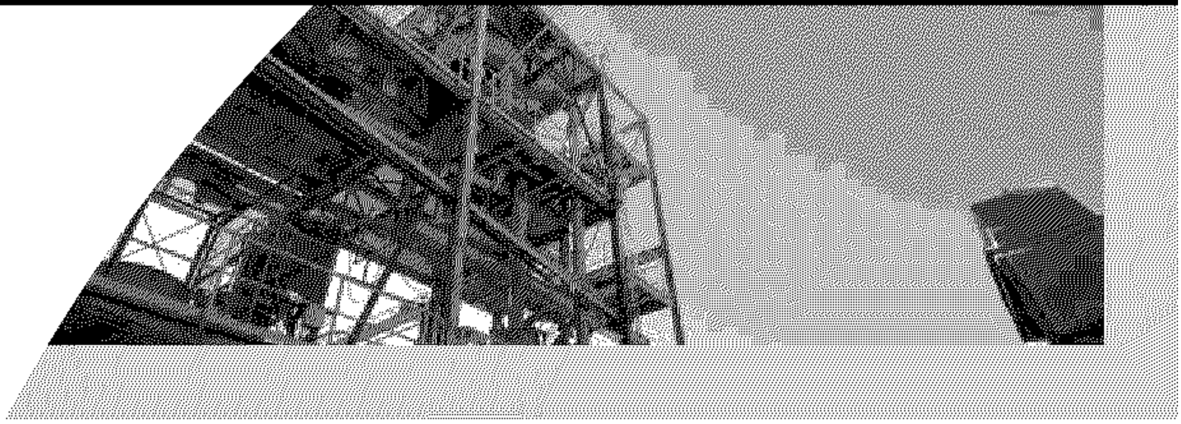
Lowest: $0.20 per Share on 10 January 2007.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was $0.275 on 31 January 2007.

2.7 ASX Listing

The Company's Shares are currently traded on ASX. Application will be made within 7 days after the date of issue of this Prospectus to ASX for permission for the Shares issued pursuant to this Prospectus to be listed for official quotation by ASX.

In the event that ASX does not grant permission for the official quotation of the Shares within 3 months after the date of issue of this Prospectus (or such period as is varied by the ASIC), none of the Shares offered by this Prospectus will be allotted or issued and the Company will repay all application monies for the Shares within the time period set out under the Corporations Act, without interest.



2. DETAILS OF THE ISSUE (CONTINUED)

2.8 Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Prospectus is not intended to, and does not, constitute an offer of, or invitation to apply for, securities to shareholders in countries outside Australia.

2.9 Clearing House Electronic Sub-Register System ("CHESS") and Issuer Sponsorship

The Company will not be issuing share certificates. The Company participates in CHESS, for those shareholders who have, or wish to have, a sponsoring stockbroker. Shareholders who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not issue certificates to shareholders. Instead, shareholders will be provided with a statement that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders in circumstances in which there have been any changes in their security holding in the Company during the preceding month.

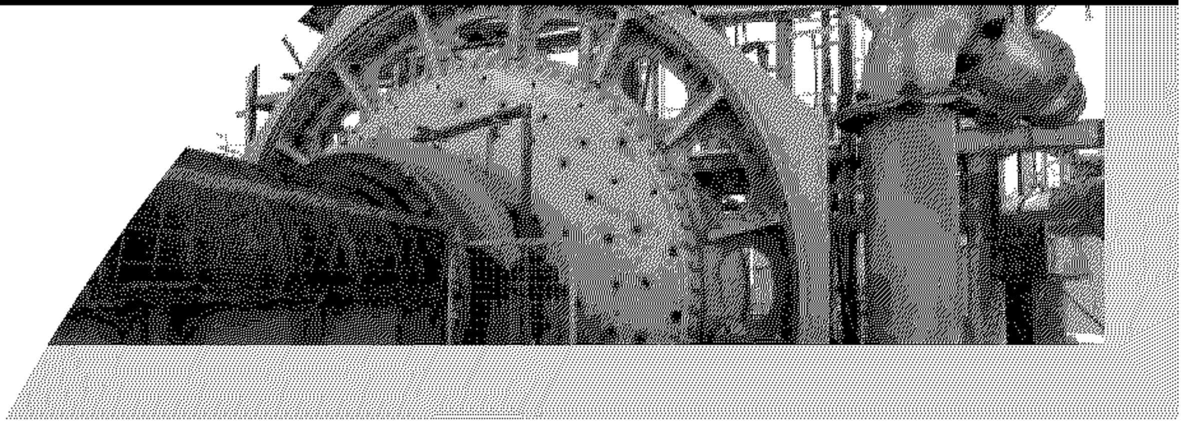
2.10 Dividend Policy

The Company's ability to pay dividends depends on factors such as the earnings, taxation and financial position of the Company. It is the current intention of the Directors to pay dividends if the profitability of the Company's operations permits. The level of franking of any dividends will be determined by the level of Australian tax paid by the Company.

Until the Company generates sufficient profits, it will not be in a position to declare any dividend and, accordingly, the Directors will not formulate a dividend policy until a profit is generated.

2.11 Taxation

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the Issue.



2. DETAILS OF THE ISSUE (CONTINUED)

2.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

2.13 Enquiries

Any questions concerning the Issue should be directed to the Company Secretary at the Company's registered office at Level 1, 23 Ventnor Avenue, West Perth, WA 6005 or on 08 9481 6422.

3. PURPOSE AND EFFECT OF THE ISSUE

3.1 Purpose of the Offer

The purpose of the Offer is to give shareholders the opportunity to acquire additional stock if they so wish and to provide working capital to bring the Davyhurst Mine into production and for continued mineral exploration. The Offer if fully subscribed will raise nearly $10,000,000. In particular the proceeds of the Issue are intended to be issued as set out in the table below:

	Minimum Subscription	**Full Subscription**
Davyhurst Plant Refurbishment and Mine Development	$2,400,000	$5,000,000
Exploration	nil	$4,800,000
Working Capital	$68,000	$209,600
Expenses of the Issue	$32,000	$32,000
Total	**$2,500,000**	**$10,041,600**

Monarch's main priority is the commencement of gold production at the Davyhurst Mine which is estimated to require funds of up to $9,000,000. Monarch has budgeted costs of $5,000,000 for plant refurbishment of the Davyhurst plant in the first half of the 2007 calendar year and $4,000,000 for mine development costs prior to full gold production in July 2007.

The Company has, as at 31 December 2006, approximately $2,500,000 million of cash on hand. Once the costs of the Issue have been paid, the Company will concentrate on using the funds raised to fund the Davyhurst refurbishment and mine development and continued mineral exploration. The Company is currently negotiating a finance facility for the ongoing development of the Company's projects, working capital and acquisitions. The size of this facility may be varied depending on the funds raised under this Issue.

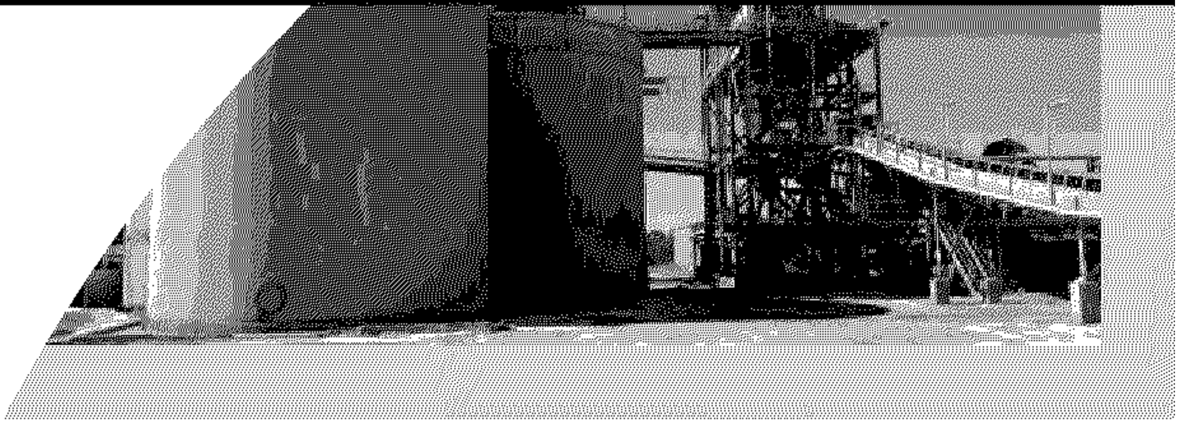
In the event the Company raises the Minimum Subscription and does not raise the full amount of $10,041,600, the Company still intends to continue through the use of the current cash funds available and the funds raised under this Issue to commence operations at the Davyhurst project. The Company may require an appropriate level of debt financing as mentioned previously for continued project development and mineral exploration. In particular, if between $2,500,000 and $10,041,600 is raised, the Company intends to scale back from its intended use of proceeds (as set out in the table above) in the following order:

(a) Working Capital, by up to $141,600;

(b) Exploration by up to $4,800,000; and

(c) Expenditure on Davyhurst Plant Refurbishment and Mine Development, by up to $2,600,000.

The information set out above is a statement of present intention as at the date of this Prospectus. The use of funds is contingent upon progressive results being favourable. The Directors reserve the right to apply the funds of the Company for the above purpose or for related or other purposes as circumstances dictate. The final allocation of funds may vary from the above depending upon the circumstances in which the business develops and operates.



3. PURPOSE AND EFFECT OF THE ISSUE (CONTINUED)

Monarch Update

Over the past 12 months the Company has sought opportunities and is continuing to seek opportunities, to change its status from an explorer to a producer. Critically, the Company's most advanced project, Davyhurst, is progressing in accordance with management's programmes and is aiming to pour its first gold bar in July 2007.

The Company's philosophy for exploration success is underpinned by the commitment to raising sufficient funding to support a significant exploration campaign. Over the coming years the Company will actively seek to generate sufficient cash from gold production to fund ongoing exploration and development to build shareholder value.

Monarch's Directors have a track record of creating value for shareholders and believe in investing their own capital to build a company with a clear future in gold development and production.

Following a review of capital requirements, a Share Purchase Plan was selected by the Board as the most appropriate way to raise funds without diluting shareholders, providing Eligible Shareholders take up their allocation. It is important all Eligible Shareholders have the opportunity to top up their investments at an attractive price and at an important time in the commercial lifecycle of Monarch.

The rebirth of the Davyhurst asset will follow a very clear development timeline culminating in the refurbishment of the 1.2 million tonnes per annum plant in June 2007 Quarter. The Board's objective is for the Company to move from explorer to producer status as quickly and effectively as possible via the commencement of operations at Davyhurst. Monarch's objective is to build a 500,000 ounce per annum gold producer, and the development of the Davyhurst asset will be the first phase of this strategy.

Other key activities underway at Davyhurst include recruiting of operational employees, gearing up for milling and appointing of mining contractors. Monarch has a major advantage over competitors because the Company owns a 100 man camp and the associated infrastructure at Davyhurst.

Importantly, Davyhurst is only one of three gold projects within Monarch's stable. In addition, the Company has acquired large tenement holdings throughout Western Australia and will continue the development program to also recommence operations at the Minjar mine north of Perth.

The Company has provided an update on the 2007 exploration and development program in the December 2006 Quarterly Report.

3.2 Effect of the Issue

The principal effect of the Issue will be to:

(a) increase cash reserves by approximately $10,009,600 immediately after completion of the Issue and estimated expenses of the Issue, assuming all Shares offered under this Prospectus are issued; and

(b) increase the number of Shares on issue from 270,815,580 Shares as at the date of this Prospectus, to 312,655,580 Shares.

Upon completion of the Issue (assuming the Issue is fully subscribed), the share capital of the Company will be:

Shares	**Number**
Issued capital at the date of this Prospectus	270,815,580
Offered pursuant to this Prospectus	41,840,000
Post Completion of Issue	**312,655,580**

The Company also has 35,100,000 Options on issue as at the date of this Prospectus.

4. RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

4.1 Rights attaching to Shares

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

(i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote for each partly paid share. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend, the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. No dividend shall carry interest as against the Company subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividends is paid unless any share is issued on terms providing to the contrary, all dividends are to be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. An amount paid or credited as paid on a share in advance of a call is not to be taken as paid or credited as paid on the share for the purposes of determining the payment of the dividend.

4. RIGHTS ATTACHING TO SHARES (CONTINUED)

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities and which are subject to escrow restrictions at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

The Shares are quoted on ASX.

5. RISK FACTORS

5.1 General

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. The future profitability of the Company will be dependent on the successful commercial exploitation of its business and operations.

Whilst the Directors recommend the Issue, there are numerous risk factors involved. The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential shareholders should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Shares.

Factors which may affect the Company's financial position, prospects and the price of its listed securities include the following:

5.2 Economic Risks

General economic conditions may affect interest rates and inflation rates. Movements in these rates may have an impact on the price of the Company's listed securities.

Further, sharemarket conditions may affect the price of the Company's listed securities regardless of operating performance.

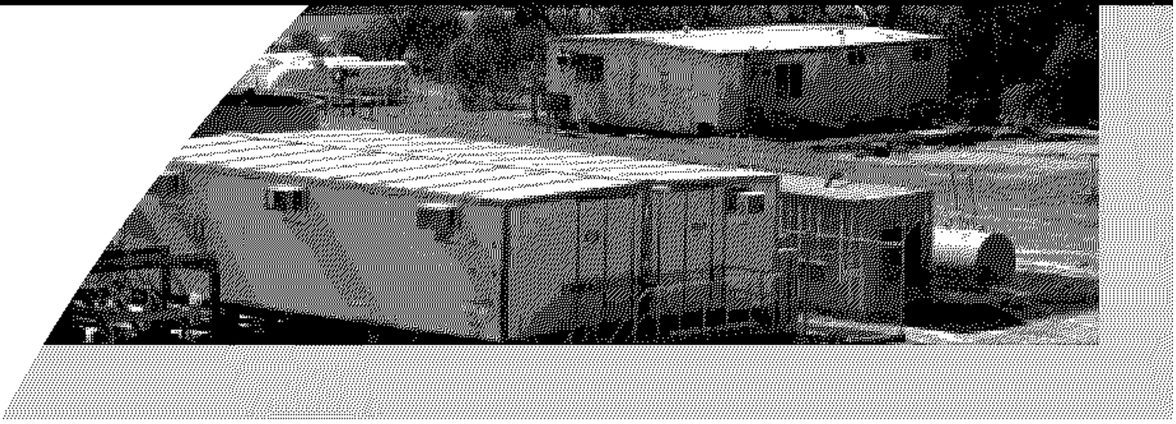
Share market conditions are affected by many factors such as:

- general economic outlook,
- movements in or outlook on interest rates and inflation rates;
- currency fluctuations,
- commodity prices,
- changes in investor sentiment towards particular market sectors; and
- the demand and supply for capital.

5.3 Exploration, Development, Mining and Processing Risks

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves,
- successful conclusions to bankable feasibility studies,
- access to adequate capital for project development,
- design and construction of efficient mining and processing facilities within capital expenditure budgets,
- securing and maintaining title to tenements,
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.



5. RISK FACTORS (CONTINUED)

5.4 Native Title

Both the Native Title Act 1993 (Commonwealth), related State Native Title legislation and Aboriginal Land Rights and Aboriginal Heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles.

Compensatory obligations may be necessary in settling Native Title claims if lodged over any tenements acquired by the Company. The existence of outstanding registered Native Title claims means that the grant of a tenement in respect of a particular tenement application may be significantly delayed or thwarted pending resolution of future act procedures in the Native Title Act. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company.

5.5 Risks Specific to the Company's Projects

The Company's projects represent the main business activity and focus of the Company. Risks specific to these projects include the following:

Resource Estimate

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could have either a positive or negative affect on the Company's operations.

Operating Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- adverse geological conditions,
- limitations on activities due to seasonal weather patterns and cyclone activity,
- unanticipated operational and technical difficulties encountered in seismic survey, drilling and production activities,
- mechanical failure of operating plant and equipment,
- adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events,
- unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations,
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, and
- inability to obtain consents or approvals.

5. RISK FACTORS (CONTINUED)

Commodity Price, Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are effected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australia dollar as determined in international markets.

Environmental Matters

The Company's projects are subject to Commonwealth and State laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to the Tenements.

Joint Venture Risks

The future viability and success of any joint ventures entered into by the Company or its subsidiaries or any future joint ventures entered into by the Company or its subsidiaries could be affected by the financial failure or default of any of the joint venture participants.

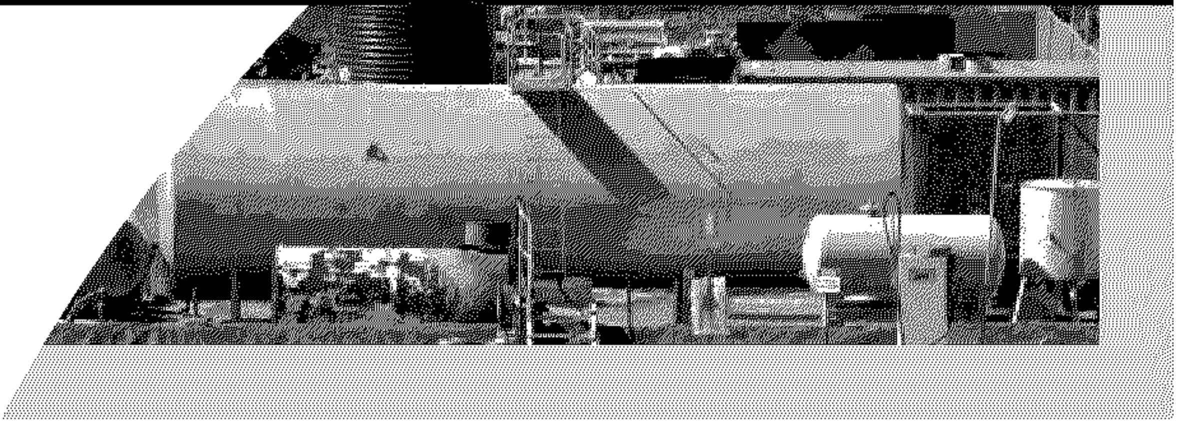
Funding

The future capital requirements of the Company will depend on many factors. The Company believes its cash, receivables and net proceeds of this Issue are adequate to fund continued exploration and resource development of the Company's projects, acquisitions and operations. Operations are continuing to ramp up and there can be no guarantee future performance will meet the designed schedule.

Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance if required would have a material adverse affect on the Company's business and its financial condition and performance.

Occupational, Health and Safety Risk

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.



6. ADDITIONAL INFORMATION

6.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares that will be issued pursuant to this Prospectus will be in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

(b) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

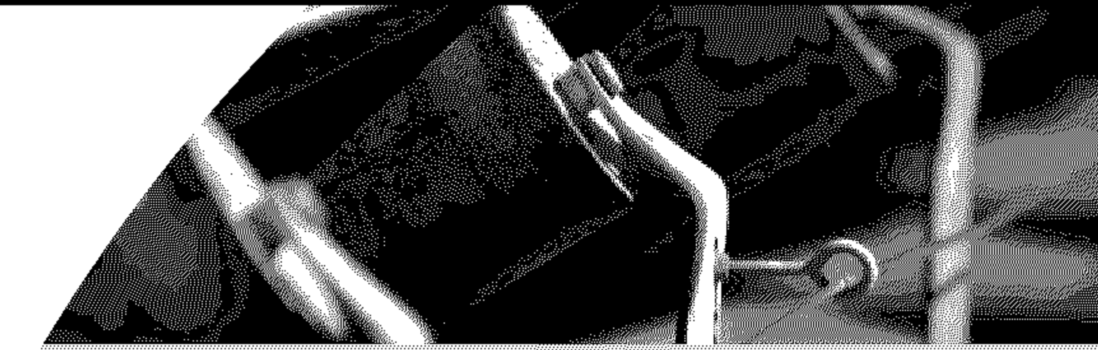
   (i) the annual financial report most recently lodged by the Company with the ASIC;

   (ii) any half year financial report lodged with the ASIC by the Company after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

   (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

MONARCH GOLD
MINING COMPANY LIMITED



6. ADDITIONAL INFORMATION (CONTINUED)

For details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report refer to the table set out below.

Date	Description of Announcement
31/01/2007	Second Quarter Activities and Cashflows Reports.
30/01/2007	Change of Director's Interest Notice
17/01/2007	Change of Director's Interest Notice
12/01/2007	Change in substantial holding
11/01/2007	Change of Director's Interest Notice
11/01/2007	Change in substantial holding x2
21/12/2006	Initial Director's Interest Notice
21/12/2006	Appointment of new director
18/12/2006	Ceasing to be a substantial holder
11/12/2006	Appendix 3B
11/12/2006	Appendix 3B
11/12/2006	Open Briefing. Monarch Gold. Production & Exploration Update
5/12/2006	Production Update
4/12/2006	TAM: Tanami Gold - Monarch Cease Merger Discussions
4/12/2006	Monarch - Tanami conclude merger discussions
16/11/2006	Results of Annual General Meeting
16/11/2006	AGM Presentation
15/11/2006	Becoming a substantial holder
13/11/2006	TAM Update on Monarch Merger
13/11/2006	Change in substantial holding
10/11/2006	Completion of share placement
2/11/2006	Results of Meeting
31/10/2006	Tanami placement and merger discussions
31/10/2006	TAM Share Placement to Monarch/Commence Merger Discussions
30/10/2006	First Quarter Activities & Cashflow Reports
30/10/2006	Final Director's Interest Notice
30/10/2006	Retirement of Non-executive Director
27/10/2006	Appointment of Chief Financial Officer
16/10/2006	Annual Report
16/10/2006	Notice of Annual General Meeting
3/10/2006	Notice of General Meeting

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal hours.

6. ADDITIONAL INFORMATION (CONTINUED)

6.2 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as solicitors to the Company and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the Company's share registry and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

None of the entities referred to in this Section have authorised or caused the issue of this Prospectus and do not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

6.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any organisation in which such a Director is a partner or director, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

(a) the promotion or formation of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares pursuant to this Prospectus; or

(c) the offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any Director or to any organisation in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Each Director's interests in Shares and Options at the date of this Prospectus are:

Director	Shares	Options
Michael L Kiernan	32,500,000	10,000,000
Allan J Quadrio	100,000	5,000,000
John M Davis	53,500	5,100,000
David M Macoboy	2,018,500	2,000,000
Phillip P Botsis	3,852,625	Nil
John McKee	Nil	Nil
Michael A Etheridge	250,000	Nil

The Constitution of the Company provide that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, where notice of the amount of the suggested increase and the maximum sum that may be paid shall have been given to shareholders in the notice convening the meeting.

The Company has in the last two years paid $319,612 in 2006 and paid $84,837 in 2005 by way of remuneration for services provided by the Directors, companies associated with the Directors or their associates in their capacity as directors, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

6. ADDITIONAL INFORMATION (CONTINUED)

The table below sets out the remuneration (excluding share based payments for Options granted) provided to the current Directors of the Company and their associated companies during the last financial year prior to the date of this Prospectus and their current remuneration at the date of this Prospectus, inclusive of directors fees and consultancy fees.

Director	Year Ended 30 June 2006	Current
Michael L Kiernan	Nil	Nil
Allan J Quadrio	Nil	165,128
John M Davis	230,816	141,667
David M Macoboy	Nil	Nil
Phillip P Botsis	33,637	8,175
John McKee	4,337	10,900
Michael A Etheridge (i)	Nil	Nil

(i) Dr Etheridge was appointed as a director on 22 December 2006.

6.4 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert nor any organisation in which such expert has an interest, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

(a) the promotion or formation of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares pursuant to this Prospectus; or

(c) the offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or to any firm in which any such expert is a partner, either to induce him to become, or to qualify him as, a expert or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately $5,000 for services provided in relation to this Prospectus. In the last 2 years Steinepreis Paganin has been paid $23,769 for their services.

6.5 Estimated Expenses of Issue

The estimated expenses of the Issue (exclusive of GST) are as follows:

Item	$
ASX Fees	16,000
ASIC Fees	2,000
Print and Mailing Expenses	4,000
Legal and Other Expenses	10,000
Total	**$32,000**

MONARCH GOLD
MINING COMPANY LIMITED

6. ADDITIONAL INFORMATION (CONTINUED)

6.6 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Acceptance Form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

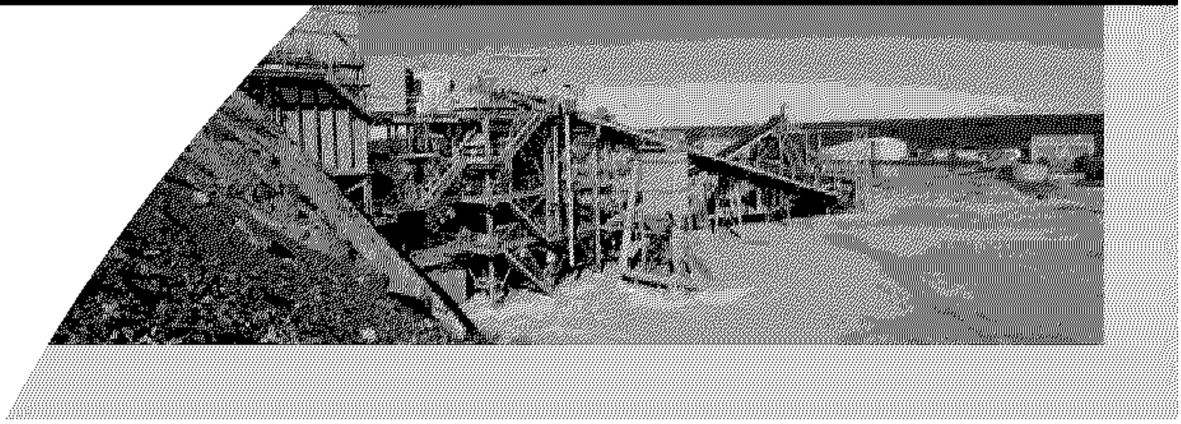
The Company reserves the right not to accept an Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7. DIRECTORS' CONSENT

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with the ASIC.

Michael L Kiernan
Executive Chairman
For and on behalf of
Monarch Gold Mining Company Limited



8. DEFINITIONS

Applicant means a shareholder that applies for Shares using an Application Form pursuant to this Prospectus.

Application Form means the application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691).

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date for receipt of Application Forms under this Prospectus as set out in Section 2.2.

Company or (**Monarch**) means Monarch Gold Mining Company Limited (ABN 69 100 038 266).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means directors of the Company at the date of this Prospectus.

Dollar or "**$**" means Australian dollars.

Eligible Shareholder means a shareholder who is registered as a holder of Shares in the Company as at 5.00 pm (WDT) on the record date of 31 January 2007 and whose registered address is in Australia.

Issue means the proposed issue of Shares referred to in the "Details of the Issue" section of this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of ASX.

Offer means the offer of Shares for purchase by Shareholders.

Opening Date means the opening date for receipt of Application Forms under this Prospectus as set out in Section 2.2.

Option means an option to acquire a Share.

Prospectus means this Prospectus.

Shares means the Shares the subject of the Issue.

Share means a fully paid ordinary share in the capital of the Company and where the context permits means the Shares the subject of the Issue.

WDT means Western Daylight Time.

MONARCH GOLD
MINING COMPANY LIMITED

GUIDE TO THE APPLICATION FORM

If an applicant has any questions on how to complete this Application Form, please telephone the Share Registry on 1300 557 010.

A. Application for Shares

The Application Form must only be completed in accordance with instructions included in Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Cheque Details

Make cheques payable to "**Monarch Gold Mining Company Ltd - Trust Account**" in Australian currency and cross them "**Not Negotiable**". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

H. Declaration

This Application Form does not need to be signed. By lodging this Application Form and a cheque for the application money this Applicant hereby:

(1) applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors;

(2) agrees to be bound by the constitution of the Company;

(3) authorises the directors of the Company to complete or amend this Application Form where necessary to correct any errors or omissions;

(4) acknowledges that he/she has received a copy of the Prospectus attached to this Application Form or a copy of the Application Form before applying for the Shares; and

(5) acknowledges that he/she will not provide another person with this Application Form unless it is attached to or accompanied by the Prospectus.

GUIDE TO THE APPLICATION FORM (CONTINUED)

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

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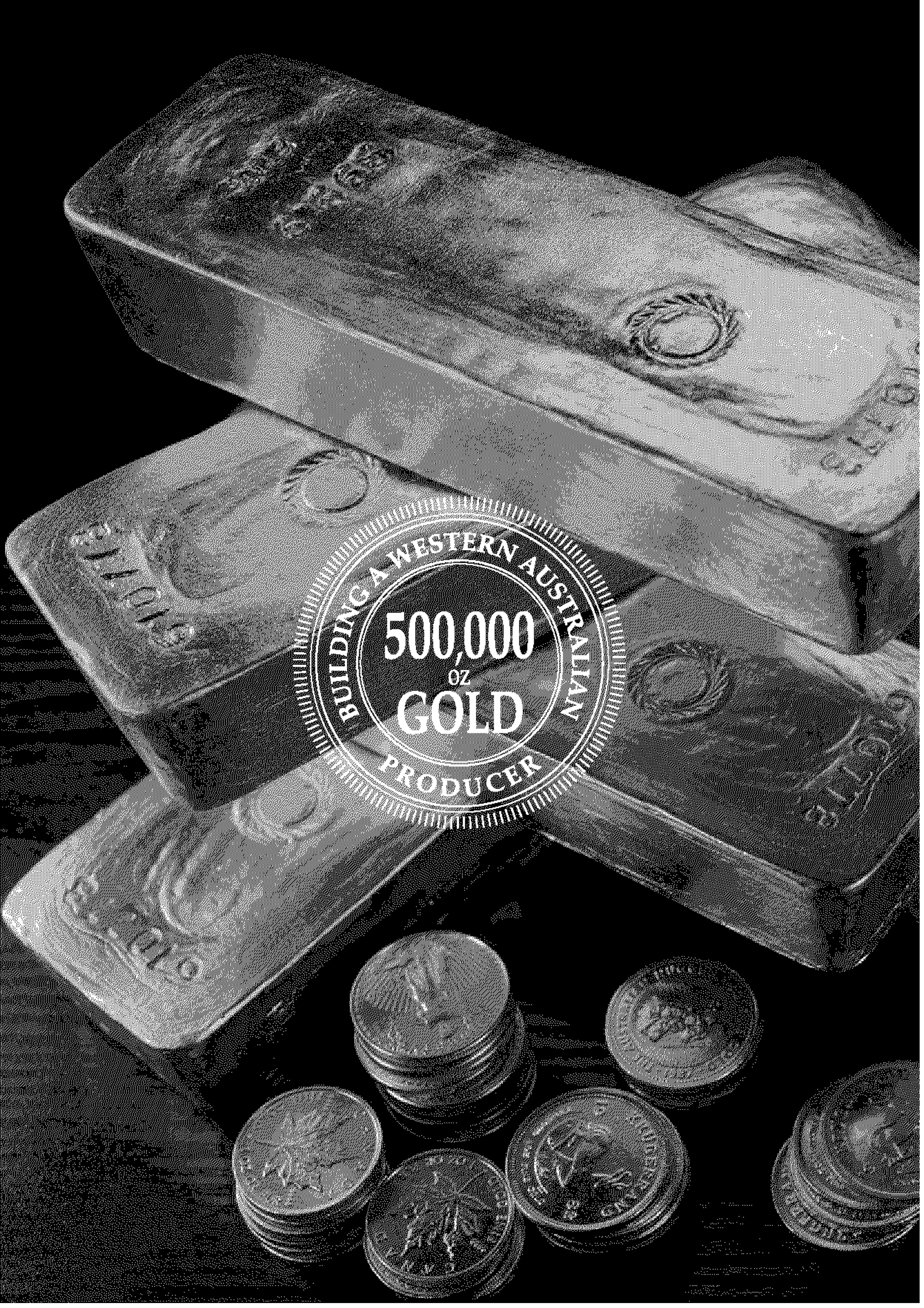
BUILDING A WESTERN AUSTRALIAN
500,000
OZ
GOLD
PRODUCER

MONARCH GOLD
MINING COMPANY LIMITED

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