

MONARCH GOLD MINING COMPANY LIMITED
ABN 69 100 038 266

NOTICE OF GENERAL MEETING

TIME: 10.00am WST

DATE: 14 August 2007

PLACE: Celtic Club
48 Ord Street
West Perth, Western Australia

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Monarch Gold Mining Company Limited will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia at 10.00AM WST on 14 August 2007.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company on 10 August 2007 at 10.00AM WST.

AGENDA

1. RESOLUTION 1 – ISSUE OF SHARES TO MICHAEL ETHERIDGE

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 187,500 Shares at an issue price of \$0.25 each to Michael Etheridge (or his nominee) as part of the placement of the shortfall under the Company’s recent entitlement issue on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Michael Etheridge and any associates of Mr Etheridge.

2. RESOLUTION 2 – ISSUE OF SHARES TO LAURENCE JAMES KIERNAN

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 2,225,000 Shares at an issue price of \$0.25 each to Laurence James Kiernan (or his nominee) as part of the placement of the shortfall under the Company’s recent entitlement issue on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Laurence James Kiernan and any associates of Mr Kiernan.

3. RESOLUTION 3 – ADOPTION OF SHARE PURCHASE PLAN

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

“That for the purposes of sections 259B(2) and 260C(4) and Condition 9(b) of ASX Listing Rule 7.2 and for all other purposes approval is given for the adoption of the Directors’ Share Purchase Plan.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a participating Director and any associate of that Director.

4. RESOLUTION 4 – ISSUE OF SHARES TO DIRECTOR UNDER THE DIRECTORS' SHARE PURCHASE PLAN

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

"That, subject to the approval of Resolution 3 and for the purposes of section 208 and Listing Rule 10.14 and for all other purposes approval is given for:

- (a) the issue of 1,000,000 Shares to Ian Huitson as set out in the Explanatory Statement in accordance with the Directors' Share Purchase Plan; and*
- (b) the advance by the Company to Ian Huitson of up to the sum of money required to purchase the Shares as determined in accordance with the terms of the Directors' Share Purchase Plan."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ian Huitson and any of his associates.

5. RESOLUTION 5 – ISSUE OF SHARES TO DIRECTOR UNDER THE DIRECTORS SHARE PURCHASE PLAN

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

"That, subject to the approval of Resolution 3 and for the purposes of section 208 and Listing Rule 10.14 and for all other purposes, approval is given for:

- (a) the Company to issue 1,000,000 Shares to Keith Vuleta as set out in the Explanatory Statement in accordance with the Directors' Share Purchase Plan; and*
- (b) the advance by the Company to Keith Vuleta of up to the sum of money required to purchase the Shares as determined in accordance with the terms of the Directors' Share Purchase Plan."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Keith Vuleta and any of his associates.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 28,000,000 Shares at an issue price of \$0.25 each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 25,000,000 Shares at an issue price of \$0.25 each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 20,000 Shares at an issue price of \$0.24 each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

BY ORDER OF THE BOARD

**FRANK CAMPAGNA
COMPANY SECRETARY
10 JULY 2007**

Voting Exclusion Note:

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a 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.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting.

1. RESOLUTIONS 1 AND 2 – ISSUE OF SHARES TO RELATED PARTIES

1.1 Background

As announced on 15 June 2007, the Company recently completed a non-renounceable rights issue to Shareholders. There was a shortfall of 18,045,594 Shares (**Shortfall**). The Company has placed 13,633,094 Shares from the Shortfall to sophisticated and institutional investors (completed on 21 June 2007). The Company is now seeking shareholder approval to issue and allot 2,412,500 Shares (comprising part of the Shortfall) to Michael Etheridge (or his nominee) and Laurence James Kiernan (or his nominee).

The Directors, other than Mr Etheridge who has a material personal interest in Resolution 1, considers that the issue of Shares under the Shortfall to Mr Etheridge and Mr Kiernan is on arm's length terms as they are participating on the same terms as the sophisticated and institutional investors in the placement of the Shortfall.

1.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party.

Michael Etheridge is a related party of the Company by virtue of the fact he is a Director of the Company. Laurence James Kiernan is a related party of the Company by virtue of the fact he is the son of Michael Kiernan a Director of the Company.

Approval pursuant to Listing Rule 7.1 is not required in order to issue and allot the Shares to Mr Etheridge and Mr Kiernan as approval is being obtained under ASX Listing Rule 10.11. The issue of Shares will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the maximum number of Shares to be issued is 2,412,500 as follows:
 - (i) 187,500 Shares to Michael Etheridge; and
 - (ii) 2,225,000 Shares to Laurence James Kiernan;
- (b) the Shares will be issued no later than one (1) month from the date of approval of the Resolutions (or such later date as approved by ASX) and it is anticipated that the Shares will be issued on one date;

- (c) the Shares issued are fully paid ordinary shares and rank equally in all respects with the Company's existing issued Shares;
- (d) the issue price of the Shares is 25 cents each;
- (e) the Shares are being issued as part of the placement of the Shortfall;
- (f) the funds raised from the placement of the Shortfall will be used to provide working capital to refurbish the Davyhurst mill, bring the Davyhurst mine into production, mining asset acquisitions and for continued mineral exploration.

2. RESOLUTION 3 – ADOPTION OF DIRECTORS SHARE PURCHASE PLAN

2.1 Background

Resolution 3 seeks shareholder approval for a proposed employee share scheme under which the Company proposes that Ian Huitson and Keith Vuleta may subscribe for 1,000,000 Shares each at 25 cents each (as proposed in Resolutions 4 and 5).

This resolution is required to be approved in accordance with sections 259B(2) and 260C(4) of the Corporations Act (for the ability of the Company to provide financial assistance to the participating directors and to receive the benefit of security over the Shares) and for the Company to issue the Shares under the employee share scheme as an exception to ASX Listing Rule 7.1 in accordance with ASX Listing Rule 7.2 (Exception 9).

Section 260C(4) of the Corporations Act provides that a company may provide financial assistance to a person to acquire shares in the company if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company.

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1

The proposed plan will be called the Directors' Share Purchase Plan (**Plan**). The Plan permits Ian Huitson and Keith Vuleta (**Participating Directors**) to subscribe for 1,000,000 Shares each at the issue price of 25 cents per Share (\$250,000 each). The Plan also allows the Company to make an advance of that sum of money determined by multiplying the number of Shares by 25 cents per Share (**Advance**). Share mortgages will be granted in favour of the Company as security for the loans.

As at the date of this Notice, no Shares have been issued under the Plan.

The full terms and conditions of the Plan may be obtained free of charge by contacting the Company. A summary of the terms and conditions of the Plan is set out below.

2.2 Terms of the Plan

The material terms of the Plan for the purposes of this Resolution are as follows:

(a) **Purpose**

The Plan is designed to provide full-time Directors of the Company (**Eligible Employees**) with a motivation to provide continuity of service to the Company, and increase profitability and returns to Shareholders. The Plan also offers financial support for employees of the Company to acquire the Shares pursuant to the Share Plan, at the discretion of the Directors.

(b) **Acquisition of Shares**

The Directors may invite Eligible Employees to acquire Shares under the Plan at their discretion. The Shares issued under the Plan (**Plan Shares**) will be fully paid ordinary shares in the capital of the Company, and will rank equally with the Company's other issued Shares. Subject to the restriction on the transfer of Plan Shares outlined in paragraph (d) below, Plan Shares will be the subject of applications for quotation on ASX as soon as practicable after the Plan Shares are allotted.

(c) **Issue Price of Share Plan Shares**

The issue price of each Plan Share will be determined by the Directors at or before the time of the invitation to acquire Shares under the Share Plan. The issue price of the Plan Shares is payable in full by the Eligible Employee on the date of issue of the Plan Shares.

Where the Plan Shares are issued for cash consideration, the Directors may, at their absolute discretion, determine that the whole or part of the issue price will be advanced by the Company to the Eligible Employee, who must apply the advance in payment of the issue price.

(d) **Restriction on Transfer of Plan Shares**

A participant in the Share Plan must not sell, transfer, assign, mortgage, charge or otherwise encumber the Plan Shares until the later of the following (to the extent applicable):

- (i) the repayment in full of any loan advanced by the Company to the participant contemporaneously with the issue of the Plan Shares;
- (ii) the expiry of any service continuity period specified by the Company at the time of issue of the Plan Shares; and
- (iii) the satisfaction of any performance criteria specified by the Company at the time of issue of the Plan Shares.

The Directors may impose different continuity of service and performance criteria in relation to different persons, and the

Directors will have the absolute discretion to determine whether any such service continuity or performance criteria have been satisfied in relation to any Participant, or to waive that service continuity or performance criteria in relation any Participant.

If an Eligible Employee ceases to be an Eligible Employee of the Company during the period of restriction, or the above criteria are not satisfied by the Eligible Employee, the Company may buy-back the Plan Shares the subject of the restriction under Part 2J.1 of the Corporations Act at a price equal to:

- (i) where the Plan Shares were issued for no cash consideration - the lesser of \$0.001 each or the market price of the Shares; or
- (ii) where the Plan Shares were issued for cash consideration – the market price of the Shares.

(e) **Eligible Employees**

Permanent full-time Directors of the Company or an associated body corporate are eligible to participate in the Share Plan.

(f) **Powers of the Board of Directors**

The Plan is administered by the Directors of the Company, who have the power to:

- (i) determine procedures for the administration of the Plan;
- (ii) amend or waive the terms and conditions of the Plan; and
- (iii) suspend or terminate the Plan.

(g) **Structure of the Loan**

Where the Directors determine that the whole or part of the issue price of Plan Shares will be advanced by the Company to the Eligible Employee, that advance must be applied in payment to the Company of the issue price.

During the term of any such loan, dividends paid in respect of the Plan Shares in relation to which the Company made the loan will be retained by the Company as interest paid by the borrower on the loan.

The borrower must repay the loan to the Company on the earlier of:

- (i) 3 years from the date of allotment of the Plan Shares to which the loan relates;
- (ii) the date on which the borrower ceases to be employed by the Company;
- (iii) in the event of a takeover offer – the date on which the Board recommends acceptance of that offer; or

- (iv) the date on which the Company buys-back the Plan Shares pursuant to the rules of the Share Plan.

(h) **Security**

Any advance made by the Company to the Eligible Employee may be secured by the Company receiving a mortgage over the Plan Shares.

3. RESOLUTIONS 4 AND 5 – ISSUE OF SHARES TO DIRECTORS UNDER THE DIRECTORS SHARE PURCHASE PLAN

3.1 Proposed issue of Shares

Resolutions 4 and 5 seek shareholder approval for the issue of Shares and the making of a loan, to Ian Huitson and Keith Vuleta respectively (**Participating Directors**), pursuant to the Directors Share Purchase Plan (**Plan**) described in section 2 of this Explanatory Statement.

Ian Huitson and Keith Vuleta are related parties of the Company by virtue of the fact that they are both Directors of the Company. In participating in the Plan, the Participating Directors will have the opportunity to receive a financial benefit from the Company. In particular, the financial benefit to be given is the issue of the Shares and the making of a loan by the Company equal to the number of Shares to be issued multiplied by the issue price of 25 cents per Share (**Advance**). The issue of Shares and the Advance proposed to be made to the Participating Directors pursuant to the terms of the Plan is as follows:

Director	Number of Shares to be issued under the Plan	Advance
Ian Huitson	1,000,000	\$250,000
Keith Vuleta	1,000,000	\$250,000

3.2 Material terms of the Advance

In accordance with the terms of the Plan, the Directors (other than Mr Huitson and Mr Vuleta who have a material personal interest in the matter) have resolved to support the Participating Directors' subscription for Shares under the Plan by making the Advance. In particular, the terms of the Advance are as follows:

- (a) the Advance will be interest bearing at the rate of 8.5% per annum;
- (b) the Advance will be reduced by the Participating Directors applying the after tax amount of all dividends declared by the Company and received in respect of their shares towards repayment of the Advance. Any proceeds of a buy-back or cancellation of the Shares will be applied in repayment of the Advance;

- (c) the term for repayment of the Advance will be 3 years (**Term**). If at the end of the Term, the Advance has not been repaid in full by the Participating Director, the Participating Director must repay the balance of the Advance to the Company;
- (d) the Advance is a limited recourse loan and will be secured by the Company taking a direct share mortgage over the Shares acquired by the Participating Director pursuant to the Plan;
- (e) having regard to any reduction in the balance of the relevant Advance or any increase in the value of the Shares, the Company may release an appropriate number of Shares from the mortgage; and
- (f) the Company shall pay any fringe benefits tax payable in respect of the Advance.

3.3 Approvals required

Shareholder approval for the issue of these Shares and the making of the Advance to the Participating Directors is required pursuant to ASX Listing Rule 10.14 and Chapter 2E of the Corporations Act.

3.4 Further information for Shareholders

The intentions of the Company in offering the Participating Directors the opportunity to subscribe for Shares pursuant to the Plan is to allow those Participating Directors to acquire an equivalent number of Shares to the balance of Shares available under the Shortfall described in Section 1.1. The Directors (other than Keith Vuleta and Ian Huitson who have a material personal interest in the Resolution) believe that the participation of the Participating Directors in the Plan as described in this Explanatory Statement, will encourage them to continue to act in the best interests of the Company and to endeavour to maximise the Company's profitability.

It is proposed to issue the Shares to the Participating Directors pursuant to the Plan on the same date, within one (1) month from the date of approval of the Resolution, and in any event the Shares shall not be issued later than twelve (12) months from the date of approval of the Resolution.

No other Director has participated or will participate in the Plan. Nor are there any other participants in the Plan.

For the purpose of section 219 of the Corporations Act, the following additional information is provided to Shareholders to assess the merits of Resolutions 4 and 5 respectively:

- (a) the proposed financial benefit to be given and the name of each of the related parties is set out in Sections 3.1 and 3.2 of this Explanatory Statement;
- (b) the nature of the financial benefit to be provided to each of the Participating Directors is the issue of the Shares and the provision of the financial assistance in accordance with the terms of the Plan. A summary of the terms of the Plan is set out in Section 2.2 and the particular terms of the Advance are set out in Section 2.2 and 3.2 of this Explanatory Statement;

- (c) the Participating Directors currently have an interest in the following securities in the Company:

Participating Director	Shares	Options*
Ian Huitson	75,000	2,500,000
Keith Vuleta	Nil	2,500,000

*Options exercisable at 40 cents each expiring on 23 February 2011 (Mr Huitson) and 30 September 2010 (Mr Vuleta);

- (d) in the 12 months before the date of this Notice the highest, lowest and latest trading prices of Shares on ASX are as set out below:

Highest	38 cents on 12 & 13 April 2007
Lowest	18 cents on 10 January 2007
Last	31 cents on 9 July 2007

- (e) if Shareholders approve the issue of Shares to the Participating Directors, the effect will be to dilute the shareholding of existing Shareholders by approximately 0.48% (assuming the issued share capital of the Company is 415,226,975 as a result of the issue of Shares pursuant to the approval of Resolutions 1 and 2);
- (f) the current remuneration (including superannuation where applicable) received by the Participating Directors from the Company is:

Participating Director	Remuneration
Ian Huitson	\$375,000
Keith Vuleta	\$300,000

- (g) during the previous financial year, the Company paid the following remuneration (inclusive of superannuation) to the Participating Directors:

Director	Annual Remuneration
Ian Huitson	\$143,139
Keith Vuleta	\$178,205

Mr Huitson commenced employment on 5 February 2007 and Mr Vuleta commenced employment on 16 October 2006.

- (h) other than as set out above, the Participating Directors receive no other emoluments from the Company;
- (i) the Participating Directors decline to make a recommendation to Shareholders in relation to Resolutions 4 and 5 due to their material personal interest in the outcome of those Resolutions;
- (j) each of the Directors, other than Ian Huitson and Keith Vuleta recommends that Shareholders vote in favour of Resolutions 4 and 5 which will allow the Participating Directors to subscribe for Shares under the Plan and to be given the Advance to fund the

subscription for Shares, which they may not otherwise be able to do. This in turn is anticipated to provide the Participating Directors with an incentive to enhance the value of the Company and its securities, for the benefit of all Shareholders;

- (k) the Shares to be issued will have an issue price of 25 cents per Share. The highest, lowest and last closing prices of the Company's shares is set out in paragraph (d) above. If, at the time of issue of the Shares or any time after the issue of the Shares the Shares are trading on ASX at a price that is higher than the issue price of the Shares, there may be a perceived cost to the Company;
- (l) the value of the Advance is set out in Section 3.1. If each of the Participating Directors repaid the Advance at the expiry of the Term, the interest of 8.5% that would have accrued for the benefit of the Company would be \$63,750 in respect of each Participating Director. This reduces if the Advance is repaid early. By contrast, if the Participating Director obtained a loan on commercial terms from one of the major Australian banks at the best rate available for a fixed rate loan of \$250,000 over 3 years 8.1% secured (for unknown or unspecified security for this purpose), the interest that would accrue on the loan after three years would be \$60,750.

4. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

4.1 General

On 18 May 2007, the Company announced completion of a share placement of 28,000,000 Shares at 25 cents per Share to raise approximately \$7,000,000 to sophisticated and professional investors (**May Placement**).

Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares made pursuant to the May Placement (**Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the number of Shares issued was 28,000,000;
- (b) the Shares were issued at \$0.25 each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and rank equally with the Company's current issued Shares; and
- (d) the Shares were issued to institutional and sophisticated investors who are clients of Greenwich Equities Ltd and Argonaut Capital Ltd and these persons were not related parties of the Company;
- (e) the Company used the funds raised from the issue of approximately \$7 million (less costs) for commencement of operations at Davyhurst and Mt Ida Mines and exploration at Davyhurst, Minjar and Bellevue.

5. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES

5.1 General

On 15 June 2007, the Company announced a placement of 25,000,000 Shares at 25 cents per Share to raise approximately \$6,250,000 to sophisticated and professional investors (**June Placement**).

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares made pursuant to the June Placement (**Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future of up to the 15% threshold set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the number of Shares issued was 25,000,000 on 28 June 2007;
- (b) the Shares were issued at \$0.25 each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and rank equally with the Company's current issued Shares; and
- (d) the Shares were issued to institutional and sophisticated investors who are clients of Argonaut Capital Ltd, Bell Potter Securities Ltd, Macquarie Equities Ltd and Entrust Private Wealth Management and these persons were not related parties of the Company;
- (e) the Company used the funds raised from the issue of approximately \$6.25 million (less costs) for commencement of operations at Davyhurst and Mt Ida Mines and exploration at Davyhurst, Minjar and Bellevue.

6. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES

6.1 General

On 20 June 2007, the Company issued 20,000 Shares at 24 cents per Share to Maria Caldaroni (**Share Placement**).

Resolution 8 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares made pursuant to the Share Placement (**Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the number of Shares issued was 20,000;
- (b) the Shares were issued at \$0.24 each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and rank equally with the Company's current issued Shares; and

- (d) the Shares were issued to Maria Caldaroni who is not a related party of the Company;
- (e) the Company used the funds raised from the issue of approximately \$4,800 for general working capital.

GLOSSARY

ASX means Australian Stock Exchange Limited.

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

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

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement to this Notice of Meeting.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement.

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

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

PROXY FORM
MONARCH GOLD MINING COMPANY LIMITED
ABN 69 100 038 266

Company Secretary
Monarch Gold Mining Company Limited
Level 1, 23 Ventnor Avenue
West Perth Western Australia 6005

FACSIMILE: (08) 9481 6433

I/We

being a member of Monarch Gold Mining Company Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at the Celtic Club, 48 Ord Street, West Perth, on 14 August 2007 at 10am (WST) and at any adjournment thereof.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of Shares to Michael Etheridge	☐	☐	☐
Resolution 2	Issue of Shares to Laurence James Kiernan	☐	☐	☐
Resolution 3	Adoption of Share Purchase Plan	☐	☐	☐
Resolution 4	Issue of Shares under Directors Share Purchase Plan	☐	☐	☐
Resolution 5	Issue of Shares under Directors Share Purchase Plan	☐	☐	☐
Resolution 6	Ratification of Prior Issue of Shares	☐	☐	☐
Resolution 7	Ratification of Prior Issue of Shares	☐	☐	☐
Resolution 8	Ratification of Prior Issue of Shares	☐	☐	☐

In relation to the Resolutions, if the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote in respect of a Resolution, please place a mark in the box.

☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on the Resolutions and your votes will not be counted in computing the required majority if a poll is called on this Resolution. The Chairman intends to vote in favour of the Resolutions.

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 IN RELATION TO THE RESOLUTION WILL BE DISREGARDED.

Signed this

day of

2007

By:

Individuals and joint holders Companies (affix common seal if appropriate)

MONARCH GOLD MINING COMPANY LIMITED
ABN 69 100 038 266

Instructions for Completing Proxy Form

1. A member entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions 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;
 - 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 Section 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.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.