

MONARCH ACQUIRES MINJAR GOLD PROJECT

Monarch Resources Limited (ASX: **MRS**) today announced that it had reached agreement to acquire the **Minjar Gold Project** in Western Australia from Gindalbie Metals Ltd for a staged total of \$10 million over 12 months, representing a further step in its growth strategy in the Australian gold sector.

The acquisition will form the basis of a potential second production hub for Monarch in Western Australia's Mid West region, alongside its 2 million ounce Davyhurst/Siberia gold project in the Northeastern Goldfields.

The Minjar Project, located 500km north-east of Perth, was originally acquired by Gindalbie from Normandy Mining Ltd in 1999, and was subsequently developed and commissioned in 2001, producing 122,000 ounces of gold through until 2004. Gindalbie placed the Minjar treatment plant on care and maintenance in June 2004 due to its growing focus on its Karara iron ore assets in the Mid West region.

The acquisition includes a resource inventory of 5.175 million tonnes at 2.44g/t gold for 406,791 ounces of gold, the fully permitted 600,000tpa Minjar gold treatment facility and associated infrastructure including camp and access roads. An Infrastructure Agreement is also in place with Oxiana's nearby Golden Grove Operations, providing the opportunity for significant savings in operating costs for a re-commissioned operation.

In June 2004, Gindalbie quoted JORC compliant reserves for the project of 16,300 ounces at a gold price of A\$512-535/ounce. More recent resource optimisations at a gold price of A\$700/ounce indicate potentially recoverable resources of 146,000 ounces which would generate a cash flow of some A\$23 million (using June 2004 costs).

The terms of the acquisition include a \$2.5 million cash payment on settlement of the transaction, a further \$2.5 million 6 months after settlement, and \$5 million 12 months after settlement, payable either in cash or Monarch shares or a combination of both. The acquisition excludes the iron ore rights to the Minjar ground, which will be retained by Gindalbie.

Monarch's Chairman, Michael Kiernan, said the acquisition represented a significant growth step, opening up a new strategic front for the Company as the basis for a potential second gold exploration and production centre, consistent with our objective to build the Company into a substantial Australian gold company.

"The acquisition includes a substantial resource base, an existing treatment facility offering the potential to re-commence production in the near term, and a highly prospective tenement package," he added. Monarch has already identified numerous targets during due diligence and proposes to commence drilling as soon as possible.

"Our focus at Minjar will be to adopt a similar strategy to that currently being pursued at Davyhurst/Siberia, namely to re-evaluate existing resources and commence exploration targeting additional ore feed for the mill, with a view to re-commencing production as soon as possible," he added.

Monarch recently announced a strategic review of a number of existing resources within the 2 million ounce resource inventory at the Davyhurst/Siberia Project, together with the commencement of exploration drilling at key deposits.

The Company has previously announced a share purchase plan offer, which closes on 12 April 2006 (with the directors having the right to place any shortfall). This is expected to raise additional funds which will be used to underpin Monarch's exploration and acquisition objectives.

-ENDS-

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COMPETENT PERSON'S STATEMENT

So far as it relates to ore and mineralisation, this report is based on information compiled by Mr John Davis, who is a Member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Davis is a full time employee of the Company. This report accurately reflects the information compiled by Mr Davis. Mr Davis has consented to the inclusion of this information in the form and context in which it appears in this report.

BACKGROUND INFORMATION

Monarch Resources Ltd (ASX: MRS) is an Australian gold company which, through a combination of acquisition and corporate activity during 2005, has established a dominant position in the prolific gold belts to the north west of Kalgoorlie including a resource base in excess of 2 million ounces and a centrally located gold treatment facility.

Monarch acquired the Davyhurst Gold Project for \$5 million in November 2005, comprising an 808,000oz resource base, 841sq km tenement package and a 1.2mtpa gold processing facility. The Davyhurst Project is located within the Davyhurst-Mt Ida greenstone belt, which hosts the Zuleika Shear and Ida Fault – structures which reportedly control significant gold endowment. Historically, the Davyhurst field has produced some 1.15 million ounces since 1897.

Subsequently, in early 2006, it completed a merger with Siberia Mining Corporation Limited, resulting in the strategic consolidation of the nearby Siberia and Ida Gold Camp deposits within the enlarged Monarch.

Siberia's assets included a 1.4 million ounce resource base, a 1,250sq km exploration portfolio representing the largest Australian-controlled ground position in the Kalgoorlie region, and several projects with near-term production potential. The 35km long Siberia Gold Belt is a geological contact that hosts the high-grade Siberia Gold Camp deposits (comprising resources in excess of 750,000oz at Missouri, Sand King, Invincible and Black Rabbit). Much of this gold belt is obscured by thin cover and remains untested.

Monarch's focus is to build a significant independent Australian gold exploration and production company with an annual production of 500,000 ounces by advancing these Northeastern Goldfields assets towards production as rapidly as possible, with the initial focus over the next 12 months on a comprehensive exploration program to build a minimum 3-year reserve position prior to re-commissioning the Davyhurst mill.

In addition, Monarch will draw on its depth of technical, financial and corporate expertise to target additional growth opportunities in the current strong environment for gold companies.

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