



**MEDIA RELEASE**

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## **MONARCH CAPITALISING ON GOLD GROWTH**

Monarch Gold Mining Company (ASX / DIFX: MON) is fast tracking the development of its high grade Kalgoorlie gold projects and ramping up production at its Davyhurst mill over the next four months.

The Company is currently budgeted to produce approximately 6,500 ounces per month at Davyhurst, and with new ore coming on stream is set to move to 10,000oz per month by January 2008.

Monarch Chairman Michael Kiernan said as production increased, the Company was also improving production efficiency, driving down unit costs and capitalising on an improving gold market.

“With the increasing gold price Monarch is fast tracking development at its high grade Mount Ida project. We are opening another four faces and ore is expected to flow from these early in the New Year, increasing production by a target of some 20%,” Mr Kiernan said.

The Mount Ida project has a resource of 143,000t at 24.0 g/t containing 110,650oz of gold.

“Monarch’s cash costs are currently USD\$490 per oz and are expected to reduce by 10 to 15% over the next 12 months as production efficiency is maximised.”

To drive longer term production, Monarch has also commenced a substantial exploration program at its recently acquired Riverina project, which currently has indicated and inferred gold resources of 1.64 million tonnes at 3.8 g/t Au for 200,000oz.

“Monarch has committed \$2.5 million for exploration at Riverina until June 2008 as we believe the area is highly prospective,” Mr Kiernan said.

“This is part of our strategic exploration and expansion program which is focussed on meeting our production targets and advancing Monarch towards becoming a 500,000 ounce per annum producer by end of 2009.”

The Riverina Gold Project is contiguous to Monarch’s Davyhurst project and 40km from the mill. It covers 135km<sup>2</sup> of granted mining leases, prospecting licenses and exploration licenses.

To capitalise on these opportunities, Monarch also announced it has raised \$11.7 million through a share placement of 45,000,000 fully paid shares at a price of 26 cents each, to institutional and sophisticated investors.

Mr Kiernan said the Company was in a strong position to capitalise on improvements in the gold market, and to deliver value for shareholders in the coming year.

“We are in production, own two state-of-the-art processing plants and are backed by the largest Australian controlled land position in the Kalgoorlie region and the company remains debt free and unhedged,” Mr Kiernan said.

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## **Background**

The Company has a resource base of more than 2.4 million ounces, two state-of-the-art gold treatment plants, and has dominant ground positions in the prolific gold mining region to the north-west of Kalgoorlie.

Monarch now has the largest Australian-controlled ground position in the Kalgoorlie region.

Bellevue Gold Mine near Leinster, together with the Siberia Mining Corporation Limited merger, which provided access to Siberia 1.2 million ounce resource base.

Monarch remains firmly on track with its production targets, with mining commenced at the Davyhurst and Mt Ida projects. Refurbishment of the Davyhurst Mill is complete, with supporting infrastructure already in place. Monarch's production at Davyhurst has an average head grade of 5.3g/t Au.

## **Growth Strategy**

Monarch's growth strategy is focused on four potential production centres in Western Australia:

**Davyhurst** - gold resources of over 2m oz within a 2,000 sq km tenement package and 1.2mtpa gold processing facility (+1.2Moz historic production)

**Riverina Project** - indicated and inferred gold resources totalling **1.64 million tonnes @ 3.8 g/t Au for 200,000oz.**

**Mt Ida** - resources are stated as 143,000t at 24.0 g/t containing 110,650oz of gold within four areas - the Baldock, Whinnen, Meteor and Timoni deposits. Monarch will commence mining gold in July 2007.

**Minjar** - gold resources of over 400,000oz within a 1,722 sq km tenement package and 600,000tpa gold processing facility (+120,000oz historic production)

**Bellevue** - gold resources of 120,000oz associated with the historic Bellevue Gold Mine, one of WA's premier gold operations (750,000oz historic production)

Monarch's strategy has been to capture opportunities for the consolidation of gold development assets which have not in the past realised their full potential, either due to a lack of capital or to limited exploration.

Monarch is focussed on gold production, with a target to be producing 500,000oz per annum by December 2009.

**For further information visit: [www.monarchgold.com.au](http://www.monarchgold.com.au)**

*So far as it relates to ore and mineralisation, this report is based on information compiled by John Davis, who is a Member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientist. Mr Davis has sufficient experience which is relevant to the style of the mineralisation and type of deposit under consideration and to the activity which he is undertaking, to quality as a Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting for 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 is appears in this report.*



**Monarch Gold Mining Company  
Projects**



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