

# MONARCH ENERGY LIMITED.

## PROXY

### FOR USE AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS WEDNESDAY, APRIL 18, 2012

The undersigned, being a shareholder of **Monarch Energy Limited** (the "Company") hereby appoints, **A. MICHAEL TURKO**, a director of the Company, or failing him, **D. GERALD OTTERMAN**, CFO, Secretary and a director of the Company, or instead of either of them, \_\_\_\_\_ as proxyholder for and on behalf of the undersigned with the power of substitution to attend, act and vote for and on behalf of the undersigned in respect of all matters that may properly come before the annual and special meeting of the shareholders of the Company to be held at 11:00 in the forenoon (Pacific time) on **Wednesday, April 18, 2012** at Suite 700, 625 Howe Street, Vancouver, B.C. V6C 2T6, and at any adjournment or adjournments thereof, to the same extent and with the same power as if the undersigned were personally present at the said meeting or such adjournment or adjournments thereof. The undersigned hereby directs the proxyholder to vote the securities of the Company recorded in the name of the undersigned as specified herein.

1. **FOR WITHHOLD**            The election of the directors as nominated by management of the Company as set forth in the Management Information Circular.
  
2. **FOR WITHHOLD**            To approve the reappointment of Davidson & Company LLP, Chartered Accountants, as auditors of the Company for the ensuing year and authorize the directors to fix the remuneration of the auditors.
  
3. **FOR AGAINST**            To approve and renew the Company's Stock Option Plan.
  
4. **FOR AGAINST**            To consider, and if deemed advisable, to pass with or without modification, a special resolution approving a consolidation of the Company's issued and outstanding common shares on the basis of one post-consolidation share for up to 5 currently outstanding common shares, as more particularly described in the accompanying Management Information Circular.
  
5. **FOR AGAINST**            Provided the above resolution is passed, to consider and, if deemed advisable, pass a special resolution authorizing the change of the Company's name to "**Flagship Resources Corp.**", or any other name as may be approved by the Directors and the regulatory authorities, and authorizing the required amendments to the Company's constating documents.
  
6. **FOR AGAINST**            To grant the proxyholder authority to vote at his/her discretion on any other business or amendment or variation to the previous resolutions.

If any amendments or variations to the matters referred to above or to any other matters identified in the notice of meeting are proposed at the meeting or any adjournment or adjournments thereof, or if any other matters which are not now known to management should properly come before the meeting or any adjournment or adjournments thereof, this proxy confers discretionary authority on the person voting the proxy to vote on such amendments or variations or such other matters in accordance with the best judgment of such person.

**To be valid, this proxy must be received at the office of Canadian Stock Transfer, P.O. Box 721, Agincourt, Ontario M1S 0A1 by mail or fax (416) 368-2502, not later than 48 hours (being 2:00 pm Toronto time) on April 16, 2012, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

This proxy revokes and supersedes all proxies of earlier date.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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Signature of Shareholder

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Name of Shareholder (Please Print)

NOTES:

**1. THIS PROXY IS SOLICITED BY MANAGEMENT OF THE COMPANY.**

2. The shares represented by this proxy will be voted. Where a choice is specified, the proxy will be voted as directed. **Where no choice is specified, this proxy will be voted in favour of the matters listed on the proxy.** The proxy confers discretionary authority on the above named person to vote in his or her discretion with respect to amendments or variations to the matters identified in the Notice of Meeting accompanying the proxy or such other matters which may properly come before the Meeting.

3. Each shareholder has the right to appoint a person other than management designees specified above to represent them at the Meeting. Such right may be exercised by inserting in the space provided the name of the person to be appointed, who need not be a shareholder of the Company.

4. Each shareholder must sign this proxy. Please date the proxy. If the shareholder is a Company, the proxy must be executed by an officer or attorney thereof duly authorized.

5. If the proxy is not dated in the space provided, it is deemed to bear the date of its mailing to the shareholders of the Company.

6. If the shareholder appoints any of the persons designated above, **including persons other than Management Designees**, as proxy to attend and act at the said Meeting:

(a) the shares represented by the proxy will be voted in accordance with the instructions of the shareholder on any ballot that may be called for;

(b) where the shareholder specifies a choice in the proxy with respect to any matter to be acted upon, the shares represented by the proxy shall be voted accordingly; and

(c) **IF NO CHOICE IS SPECIFIED WITH RESPECT TO THE MATTERS LISTED ABOVE, THE PROXY WILL BE VOTED FOR SUCH MATTERS.**