

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

The full name and address of the principal office of the Company in Canada are:

MONARCH ENERGY LIMITED
Suite 404, 999 Canada Place
Vancouver, BC V6C 3E2

Item 2. Date of Material Change

February 1, 2011.

Item 3. News Release

A News Release issued under section 7.1 of National Instrument 51-102 announcing the material change described below was disseminated through Stockwatch on February 1, 2011. The News Release was filed with SEDAR on February 1, 2011.

Item 4. Summary of Material Change

MONARCH Energy Limited grants stock options.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Monarch Energy Limited (the "Company") has cancelled its remaining outstanding stock options and has granted incentive stock options to directors, officers and a consultant to purchase a total of 5,300,000 shares. The options are exercisable at \$0.10 per share for a period of five years.

The options are granted under the Company's Amended and Restated Incentive Stock Option Plan (2010), which has been approved by the Company's shareholders and filed with the TSX Venture Exchange.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7. Omitted Information

No information has been omitted from this Report on the basis that the Company believes that such information should remain confidential.

Item 8. Executive Officer

The name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this Report is:

Michael Turko, Director
Telephone: 604 641 1379

Item 9 Date of Report

DATED February 2, 2011.

MONARCH ENERGY LIMITED