

Monarques Gold's Wasamac Feasibility Study Shows Positive Pre-Tax 23.6% IRR and Production Cash Costs of \$720 Per Ounce (US\$550 Per Ounce)

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Feasibility study highlights:

- Solid output: Annual average gold production of 142,000 ounces over 11 years.
- High return: Pre-tax internal rate of return of 23.6%, net present value of \$522 million and payback period of 3.6 years.
- Low production cost: Production cash costs of \$720/oz (US\$550/oz) and all-in-sustaining costs of \$826/oz (US\$636/oz).
- CAPEX: Initial capital expenditures of \$464 million, including about \$230 million for the mill and tailings facility.
- Strategic location: Mine infrastructure to be located on newly acquired land next to the Trans-Canada highway and 200 metres from the railway leading to all the main custom milling facilities.
- Strong exploration potential: Deposit largely underexplored at depth and along strike.

MONTREAL, Dec. 3, 2018 - MONARQUES GOLD CORPORATION ("Monarques" or the "Corporation") (TSX: MQR) (NYSE: MRQRF) (FRANKFURT: MR7) is pleased to report positive results from the feasibility study ("FS") prepared by BBA Inc. for the Wasamac Gold project, located 15 km west of Rouyn-Noranda, in Abitibi, Quebec. The purpose of this FS was to conduct a review and compilation of the resources re-qualified in October 2017 by Roscoe Postle Associates Inc. ("RPA"), incorporate advanced mining designs by integrating the Rail-Veyor® technology and a paste backfill system, investigate processing and tailings and water management facilities and assess the economics of this underground gold project. The technical report summarizing the results of the FS can be found on the Monarques website via the following link: [Wasamac 2018 feasibility study](#)

The results of the FS show that Wasamac is an economically viable project that is expected to be a low-cost producing gold mine. The FS also provides the basis for making a production decision and serves to fully support the permitting and financing process.

"As evidenced by these results, the Wasamac Gold project has the makings of a great gold mine," said Jean-Marc Lacoste, President and Chief Executive Officer of Monarques. "The feasibility study is based on a top-down mining approach and the Rail-Veyor® system through a twin-ramp access and haulage facility, which eliminates the hefty initial capital expenditures associated with building a shaft, increases flexibility in mine planning, shortens the timeline to production and allows us to significantly decrease the overall cost of the project. We also believe that we will be able to extend the Wasamac mine life as the deposit remains largely underexplored at depth and along strike."

"In the last few weeks, we have created a confidential virtual data room to provide access for those who have expressed interest in reviewing the data and participating in the project's development. We have since seen considerable interest from the investment community and are positive about the upside of these new results for Monarques."

"This feasibility study also leaves the door open to a potential custom milling option. Eliminating the cost of building a mill and tailings facility would reduce the initial CAPEX by about \$230 million, which could potentially increase the project's internal rate of return and decrease the payback period. Furthermore, the mine infrastructure will be strategically located on our newly acquired land next to the Trans-Canada highway and 200 metres from the railway leading to all the main regional custom milling facilities. We will study all possible options to put the Wasamac Gold project into production in the best interests of our shareholders," concluded Mr. Lacoste.

FS HIGHLIGHTS

Description	Unit	Value
Long term gold price	US\$/oz	1,300
Exchange rate	C\$:US\$	1.31
Total tonnes mined	M Tonnes	21.5
Average diluted gold grade	g/t	2.56
Average gold recovery rate	%	88.2
Total gold contained	koz	1,767
Total gold production	koz	1,558
Average annual gold production	oz per year	142,000
Mine life	year	11
Production cash costs	\$/oz	720
Production cash costs	US\$/oz	550
All-in sustaining costs (AISC)	\$/oz	826
All-in sustaining costs (AISC)	US\$/oz	630
Estimated capital expenditure		
Total preproduction capital cost	\$M	464
Sustaining capital	\$M	175
Site restoration cost	\$M	6
Salvage value	\$M	(16)
Pre-tax summary		
NPV (5%)	\$M	522
IRR	%	23.6
Payback period	years	3.6
After-tax summary		
NPV (5%)	\$M	311
IRR	%	18.5
Payback period	years	3.9

SENSITIVITY ANALYSIS

The project's sensitivity to the price of gold shows that an increase of just 20% in the price of gold brings the

pre-tax NPV close to \$900 million and the IRR above 30%. Concurrently, a drop in the price of gold of 20% would keep the project comfortably above the break-even level of \$925 and the IRR would still post a low double-digit return.

Pre-tax NPV 5%

CAD:USD	Gold Price (US\$/oz)							
	\$1,000	\$1,100	\$1,200	\$1,250	\$1,300	\$1,400	\$1,500	\$1,600
1.11	(109.2)	9.2	127.6	186.8	246.0	364.4	482.8	601.2
1.18	(39.6)	85.8	211.2	273.9	336.5	461.9	587.3	712.7
1.25	38.8	172.0	305.2	371.8	438.4	571.6	704.8	838.0
1.31	102.7	242.3	381.9	451.7	521.5	661.1	800.7	940.3
1.43	229.1	381.3	533.6	609.7	685.8	838.0	990.3	1,142.5
1.54	346.2	510.1	674.1	756.1	838.0	1,002.0	1,165.9	1,329.9
1.67	482.8	660.4	838.0	926.8	1,015.6	1,193.2	1,370.8	1,548.5

Pre-tax IRR

CAD:USD	Gold Price (US\$/oz)							
	\$1,000	\$1,100	\$1,200	\$1,250	\$1,300	\$1,400	\$1,500	\$1,600
1.11	(0.2%)	5.4%	10.3%	12.5%	14.6%	18.6%	22.4%	25.9%
1.18	3.2%	8.6%	13.4%	15.6%	17.7%	21.7%	25.5%	29.1%
1.25	6.7%	11.9%	16.7%	18.9%	21.0%	25.1%	28.9%	32.5%
1.31	9.3%	14.5%	19.2%	21.4%	23.6%	27.7%	31.5%	35.2%
1.43	14.0%	19.2%	23.9%	26.2%	28.4%	32.5%	36.5%	40.3%
1.54	18.0%	23.2%	28.0%	30.3%	32.5%	36.8%	40.9%	44.8%
1.67	22.4%	27.6%	32.5%	34.9%	37.2%	41.6%	45.8%	49.8%

MINERAL RESOURCES

The mineral resources used as the basis for the FS study are summarized below.

Mineral Resource Statement – October 20, 2017

Resource Category	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (oz)
Measured Resources	3.99	2.52	323,300
Indicated Resources	25.87	2.72	2,264,500
Total Measured + Indicated Resources	29.86	2.70	2,587,900
Inferred Resources	4.16	2.20	293,900

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are inclusive of Mineral Reserves.
3. Mineral Resources are estimated at a cut-off grade of 1.0 g/t Au.
4. Mineral Resources are estimated using a gold price of US\$1,500 per ounce, and exchange rate of US\$0.80 = C\$1.00.
5. A minimum mining width of four metres was used.
6. A bulk density of 2.8 g/cm³ was used.
7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
8. Numbers may not add due to rounding.

MINERAL RESERVES

Mineral reserves were classified complying with the CIM definition standards for mineral resources and mineral reserves. Mineral reserves for the Wasamac deposit incorporate dilution and mining recovery factors based on the selected mining method and design. Mineral reserve is the estimated tonnage and grade of ore that is considered economically viable for extraction.

The mineral reserve estimate for the Wasamac deposit is based on the resource block model provided by RPA to Monarques in 2017, along with the information in the Preliminary Economic Assessment study conducted by RPA in 2012 for the previous mine owner, [Richmont Mines Inc.](#)

The price of gold is determined to be US\$1,300/oz. The trailing average exchange rate of 1.31 C\$/US\$ is used in cut-off grade determination.

Mineral reserves were estimated from the resource block model provided from RPA, using software-generated optimized stopes based on an estimated 1.0 g/t cut-off grade.

Mineral Reserve Statement by Category – December 1, 2018

	Tonnes (000 t)	Grade (g/t Au)	Contained Gold (000 oz)
Proven	1,028	2.66	88
Probable	20,427	2.56	1,679
Total Proven and Probable	21,455	2.56	1,767

CAPITAL AND OPERATING COSTS SUMMARY

Project capital cost summary

Cost description	Pre-production capital cost (\$M)	Sustaining capital cost (\$M)	Total cost (\$M)
General administration (owner's costs)	9.7	0.0	9.7
Underground mine	137.6	170.5	308.1
Surface infrastructure	50.7	(5.3)	45.4
Filter press plant	39.1	0.0	39.1
Process plant	131.8	0.0	131.8
Tailings and water management	21.2	1.5	22.6
Indirect	42.6	0.0	42.6
Contingency	31.2	7.9	39.1
Total	464.0	174.5	638.5
Site reclamation and closure	0.0	6.1	6.1
Salvage value	0.0	(15.8)	(15.8)
Total - forecast to spend	464.0	164.8	628.8

Project operating cost summary

Cost description	LOM (\$M)	Annual average cost (\$M)	Average LOM (\$/tonne milled)	Average LOM (\$/oz)	OPEX (%)
Underground mining	573.2	52.1	26.72	368.15	53
Process plant	381.7	34.7	17.79	245.18	35
Tailings and water management	47.2	4.3	2.20	30.33	4
General & administration	75.8	6.9	3.53	48.66	7
Total	1,077.9	98.0	50.24	692.31	100

OPPORTUNITIES FOR IMPROVEMENT

There are significant opportunities that could improve the economics and the timetable of the Wasamac project. The major opportunities identified at this time are summarized in Table 25-4 of the FS. Further information and assessments are needed prior to including these opportunities in the economic evaluation of the project.

ESTIMATED SCHEDULE AND WORKFORCE REQUIREMENTS

Pending the completion of all studies and receipt of the required permits and financing, the process plant construction is scheduled to begin in Q4 2020 with full capacity production achieved by Q4 2022.

The preliminary on-site workforce requirement for construction, including infrastructure, process plant, and development of the underground mine is expected to average 250 construction personnel, peaking at approximately 420 individuals in Q3 2021. It is anticipated that around 300 employees (staff and labour, peaking at 319 in year 2024) will be required for the operations over the life of mine.

INDEPENDENT QUALIFIED PERSONS

The FS was prepared for Monarques under the direction of BBA, by leading independent industry consultants, all of whom are qualified persons ("QP") under National Instrument 43-101. The QPs have reviewed and approved the content of this news release. Independent QPs from BBA and RPA who have prepared or supervised the preparation of the technical information relating to the FS include:

- Carl Caumartin, P.Eng., BBA Inc.
- Alain Dorval, P.Eng., BBA Inc.
- John Henning, P.Eng., BBA Inc.
- Richard Jundis, P.Eng., BBA Inc.
- Luciano Piciacchia, P.Eng., BBA Inc.
- Tudorel Ciuculescu, M.Sc., P.Geo., Roscoe Postle Associates Inc.

The technical and scientific content of this press release has been reviewed and approved by Marc-André Lavergne, P.Eng., the Corporation's qualified person under National Instrument 43-101.

ABOUT MONARQUES GOLD CORPORATION

[Monarques Gold Corp.](#) (TSX: MQR) is an emerging gold mining company focused on pursuing growth through its large portfolio of high-quality projects in the Abitibi mining camp in Quebec, Canada. The

Corporation currently owns close to 300 km² of gold properties (see map), including the Wasamac deposit (measured and indicated resource of 2.6 million ounces of gold), the Beaufor Mine, the Croinor Gold (see video), McKenzie Break and Swanson advanced projects and the Camflo and Beacon mills, as well as other promising exploration projects. It also offers custom milling services out of its 1,600 tonne-per-day Camflo mill.

Forward-Looking Statements

The forward-looking statements in this press release involve known and unknown risks, uncertainties and other factors that may cause Monarques' actual results, performance and achievements to be materially different from the results, performance or achievements expressed or implied therein. Neither TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this press release.

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