

Monarch Gold Announces the Signature of Binding Letters of Intent for the Acquisition of the Fayolle Gold Deposit

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High-grade gold deposit with an historical estimate of 548,500 tonnes grading 5.75 g/t Au

MONTREAL, June 18, 2019 - MONARCH GOLD CORPORATION ("Monarch" or the "Corporation") (TSX: MQR) (OTC: MRQRF) (FRANKFURT: MR7) is pleased to announce the signature of binding letters of intent for the acquisition of a 100% interest in the Fayolle property from Hecla Quebec Inc., formerly known as [Aurizon Mines Ltd.](#) ("Hecla") (NYSE: [Typhoon Exploration Inc.](#) ("Typhoon")) (TSXV: TYP).

The Fayolle property consists of 39 mineral claims covering an area of 1,373 hectares (14 km²) in Aiguebelle and Cléris townships, approximately 35 km northeast of Rouyn-Noranda, Quebec. The Fayolle deposit contains an historical estimate of 548,500 tonnes grading 5.75 g/t Au for a total of 101,326 ounces of gold (Source: Technical report and preliminary economic assessment for the Fayolle property (compliant with Regulation 43-101 and Form 43-101F1) dated March 28, 2013, prepared by InnovExplo). A Monarch qualified person has not performed sufficient work to classify these historical estimates as current mineral resources, as defined by NI 43-101, and the Corporation therefore does not consider them as current mineral resources. Although the historical estimates may not be reliable, the Corporation nevertheless believes that they provide an indication of the property's potential and are relevant for any future exploration program. In order for the historical estimates to become mineral resources, the Corporation must carry out new drilling on the property, and issue a new mineral resource estimate pursuant to NI 43-101.

Under the terms of the binding letters of intent, (i) in consideration of Hecla's 50% interest, Monarch will issue 12 million shares of the Corporation at an agreed price of \$0.25 per share; and (ii) in consideration of Typhoon's 50% interest, Monarch will issue 12 million shares, of which \$500,000 at closing, \$500,000 five months after closing and the \$150,000 balance 12 months after closing. Monarch will issue 3.4 million shares of the Corporation at an agreed price of \$0.25 per share. The shares issued to Typhoon will be held in escrow for a period of 24 months and released as to one-third after 8, 16 and 24 months.

The binding letters of intent will be replaced by final purchase agreements, which Monarch and each of Hecla and Typhoon will sign towards the end of summer 2019.

"These transactions are aligned with our long-term plan to acquire undervalued assets with a view to developing their full potential," said Jean-Marc Lacoste, President and Chief Executive Officer of Monarch. "The Fayolle project is a large property with significant mineral resources, mostly delineated near the surface, and offering excellent exploration potential. Fayolle has been drilled over 100 metres and has \$8.5 million in work credits. In addition, the project is conveniently located at a reasonable distance from the Camflo mill. In the current gold market, we remain on the look-out for acquisition opportunities such as this one and the recently completed Unigold share acquisition (see press release dated May 9, 2019) to enhance the quality of our portfolio of mineral assets."

Sensitivity analysis for the Fayolle deposit at different cut-off grades highlighting the base case mineral resource

ALL ZONES	Cut-off grade	Tonnes	Grade	Ounces
	0.40	3,573,900	1.64	188,119
	0.60	2,423,300	2.18	170,040
	0.80	1,814,800	2.68	156,497
	1.00	1,451,500	3.13	146,074
	2.00	701,000	4.98	112,259
	2.50	548,500	5.75	101,326
	3.00	438,000	6.51	91,616
	4.00	295,500	7.98	75,761
	5.00	216,400	9.26	64,393

- The independent and qualified persons for the mineral resource estimate, as defined by Regulation 43-101, are P. Richard, M.Sc., P.Geol., and Alain Carrier, M.Sc., P.Geol., both of InnovExplo Inc. The effective date of the mineral resource estimate is August 3, 2012, and its official release date is September 6, 2012.
- These [Mineral Resources Ltd.](#) are not mineral reserves, as they do not have demonstrated economic viability.
- The results are presented in situ and undiluted. The estimate encompasses four (4) gold-bearing zones.
- Resources were compiled using cut-off grades of 0.40 g/t Au to 5.00 g/t Au. Cut-off grades must be re-evaluated under prevailing market conditions (gold price, exchange rate and mining cost). No pit data was used and the lower cut-off grades are therefore used for comparison purposes only.
- A fixed density of 2.82 g/cm³ was used in the mineralized zones.
- A minimum true thickness of 2.0 metres was applied, using the grade of the adjacent material when it had been assayed, or a value of zero when it had not been assayed.
- High-grade capping was done on raw data and set at 40.0 g/t Au for zone 1, zone 2 and the envelope, and at 90.0 g/t Au for zone 3.
- Compositing was done on drill hole sample sections that fall within the mineralized zone envelopes (composite = 100% of the zone).
- Resources were evaluated from drill hole samples using the ID2 interpolation method in a multi-folder percent block model.
- Ounce (troy) = metric tons x grade / 31.10348. Calculations used metric units (metres, tonnes and g/t).
- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding.
- Rounding followed the recommendations of Regulation 43-101.
- InnovExplo is not aware of any problem related to environmental, permitting, title, marketing, legal, taxation or social issues or any other relevant issue that could adversely affect the mineral resource estimate.

Best results selected from drilling programs carried out on the Fayolle deposit from 2010 to 2012⁽¹⁾

Hole	From (m)	To (m)	Length ⁽²⁾ (m)	Grade (Au g/t)
FA-10-01	192.0	193.5	1.5	33.79
FA-10-04	61.0	67.0	6.0	112.50
FA-10-14	270.0	274.0	4.0	10.80
Including	271.0	272.0	1.0	23.70
FA-10-24	29.0	37.0	8.0	8.90
Including	29.0	33.0	4.0	17.00
	59.0	65.0	6.0	13.40
Including	62.0	64.0	2.0	39.40
FA-11-33	82.0	84.0	2.0	31.30
FA-11-41	31.0	39.0	8.0	6.90
Including	33.0	34.0	1.0	39.40
FA-11-45	99.0	103.0	4.0	28.70
Including	102.0	103.0	1.0	65.50
FA-11-55	27.0	57.0	30.0	14.90
	31.0	37.0	6.0	60.90
FA-11-56	77.0	85.0	8.0	19.60
Including	83.0	85.0	2.0	61.70
FA-11-78	233.0	236.0	3.0	13.00
Including	235.0	236.0	1.0	29.20
FA-12-87	15.0	20.0	5.0	10.20
Including	17.0	18.0	1.0	31.80
	31.0	34.0	3.0	12.10
FA-12-88	183.0	186.0	3.0	15.50

- (1) Source: Technical report and preliminary economic assessment for the Fayolle property (compliant with Regulation 43-101 and Form 43-101F1) dated March 28, 2013, and prepared by InnovExplo
- (2) True thickness corresponds to approximately 75% of core length

All the drill cores were oriented using a CorientR instrument in order to measure the geological structures observed in the core. Deviation testing was performed with a FLEXIT instrument. The drill cores were cut in half, one part being kept as a control and the other part being analyzed. Analyses were performed by standard fire assay with atomic absorption finish. Certified reference materials, field duplicates and blanks were inserted into the sample sequence for quality control purposes. Primary assaying was performed by ALS-Chemex in Val-d'Or. The rejects for all samples returning >10g/t Au were re-assayed by gravity finish.

The completion of each of the transactions remains subject to a number of conditions, including the completion of satisfactory due diligence by Monarch, negotiation of a final purchase agreement, receipt of all required regulatory approvals, including from the Toronto Stock Exchange, if applicable, and all other customary closing conditions for transactions of this nature. There can be no assurance that these conditions will be met, and that each transaction will be completed as described or as is.

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 MONARCH GOLD CORPORATION

[Monarch 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

Other than statements of historical fact, all statements in this press release, including those relating to the acquisition of an aggregate 100% interest in the Fayolle gold deposit, the execution of final agreements, the timing of the execution of final agreements, the completion of each of the transactions and the expected timing of the transactions, the long-term plan to acquire the assets of the Fayolle property with a view to developing them to their full value and the exploration potential of the Fayolle project, are forward-looking statements based on expectations, estimates and forecasts made as at the date of this press release. Forward-looking statements are necessarily based on a number of factors and assumptions that, while considered reasonable by Monarch as at the date of such statements, are inherently subject to known and unknown risks, uncertainties and other factors that could cause Monarch's actual results, performance and achievements to be materially different from those expressed or implied by such forward-looking statements.

By their very nature, forward-looking statements involve a number of inherent risks and uncertainties, both general and specific, and it is possible that estimates, forecasts and other forward-looking statements will not be realized or that the assumptions will not align with future results. Due to the risks, uncertainties and assumptions referred to above, investors are cautioned not to place undue reliance on forward-looking statements. Except as otherwise required by law, Monarch expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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