



MONARCA MINERALS
— I N C . —

SAN JOSE PROJECT

Technical Data

June 25, 2019

FORWARD LOOKING STATEMENT

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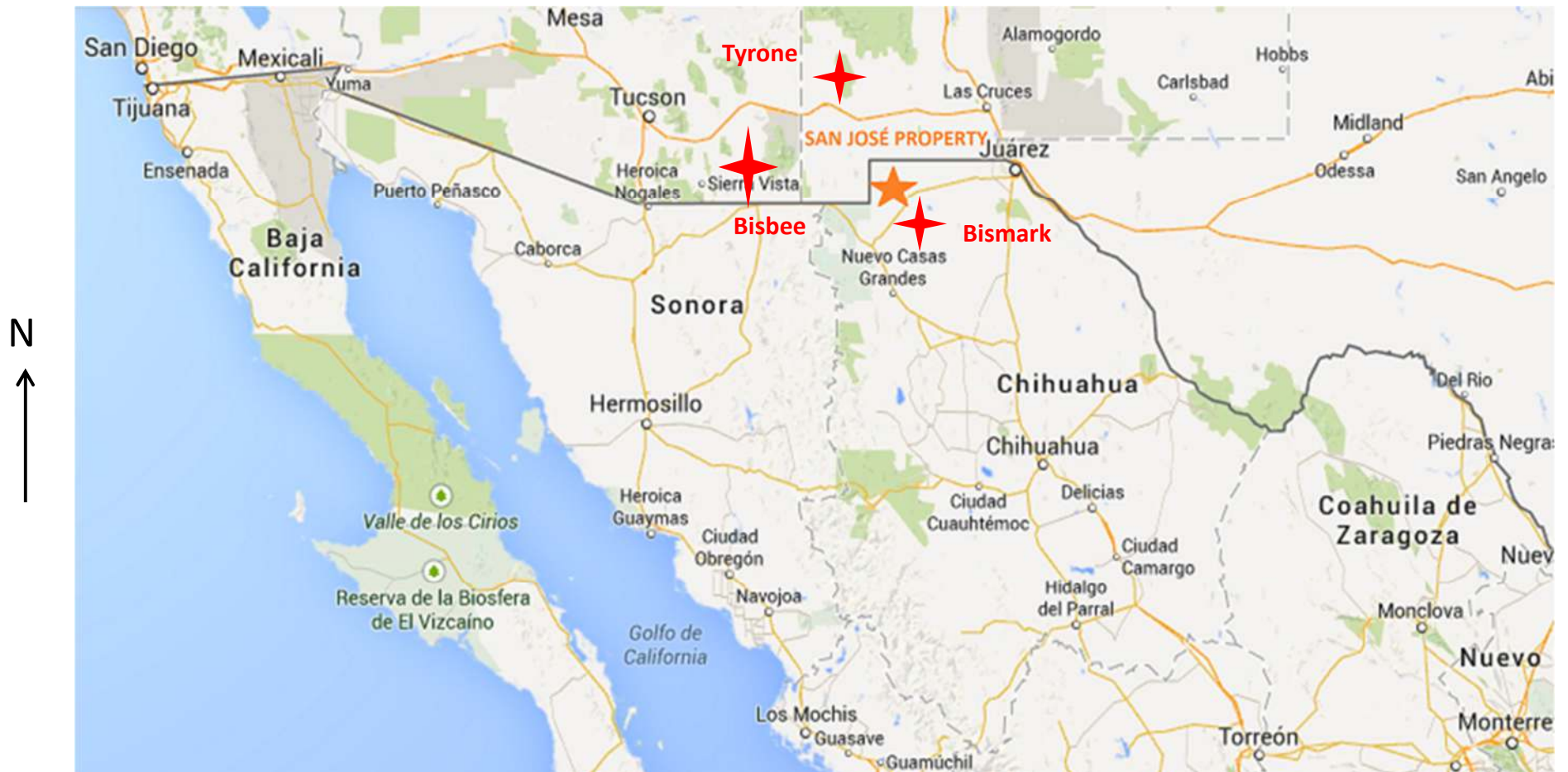
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Technical Information and Qualified Person Statement:

All historical resource estimates, preliminary economic assessment (PEA), production data, drilling or sampling figures ("Technical Information") quoted herein are based on prior data and NI 43-101 technical reports prepared by previous operators or adjacent property holders. Monarca Minerals has not verified this technical information and this information is not necessarily indicative of the mineralization potential on Monarca's properties discussed herein. All historical information disclosed should not be relied upon and has not been verified by a Qualified Person.

All scientific and technical information contained in this presentation has been reviewed and approved by Michael R. Smith, a Qualified Person under the meaning of NI 43-101.

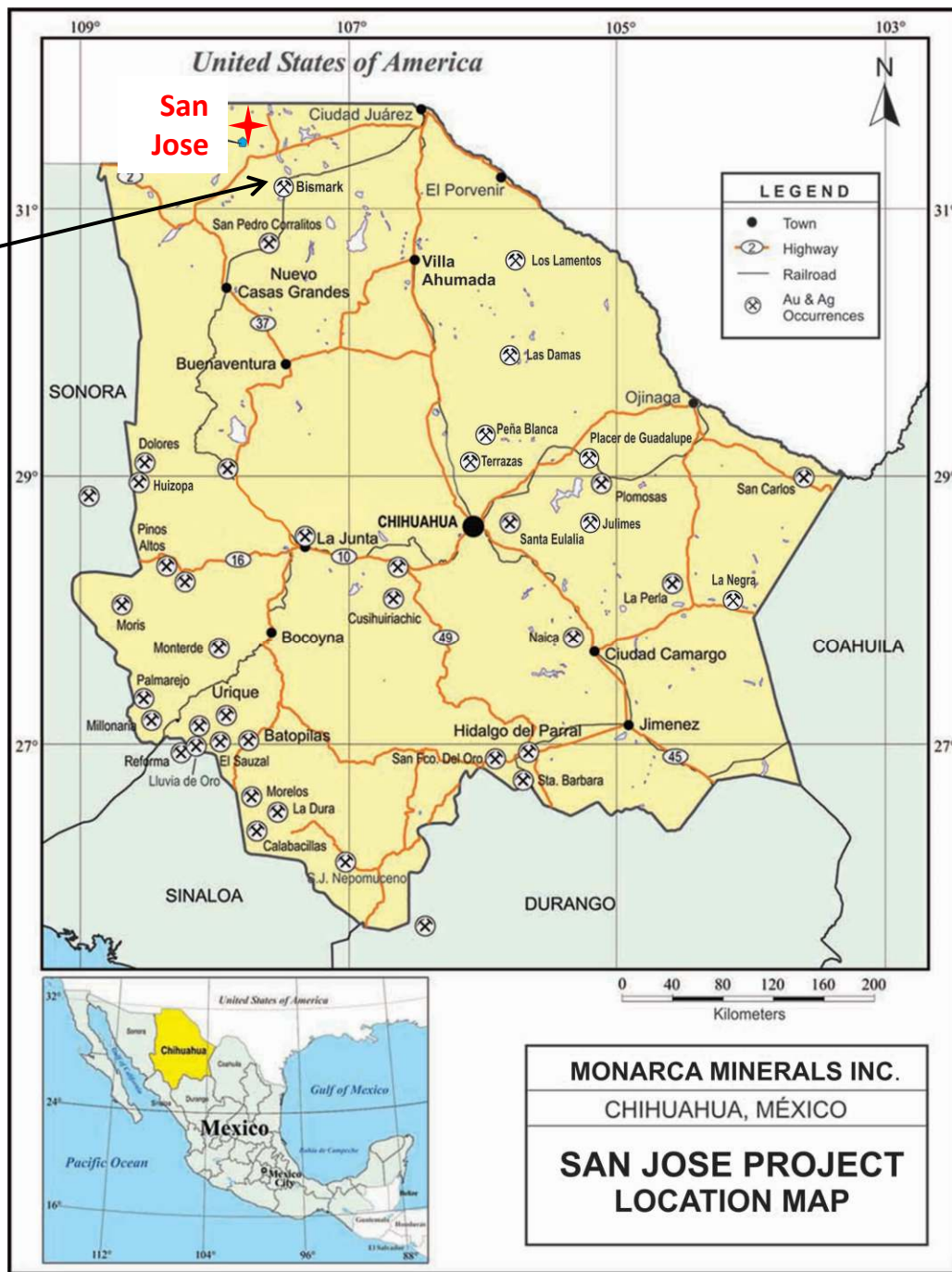
SAN JOSE PROJECT, CHIHUAHUA



SAN JOSE PROJECT: HISTORIC/ACTIVE MINES

Bismark Mine:

First Inferred Resource Assumption of 12.8 Mt at 52 g/t Ag, 11 % Zn, 0.6 % Pb and 0.4 % Cu. Ore Geology Field Trip NW-Mexico 11-21 January 2009.



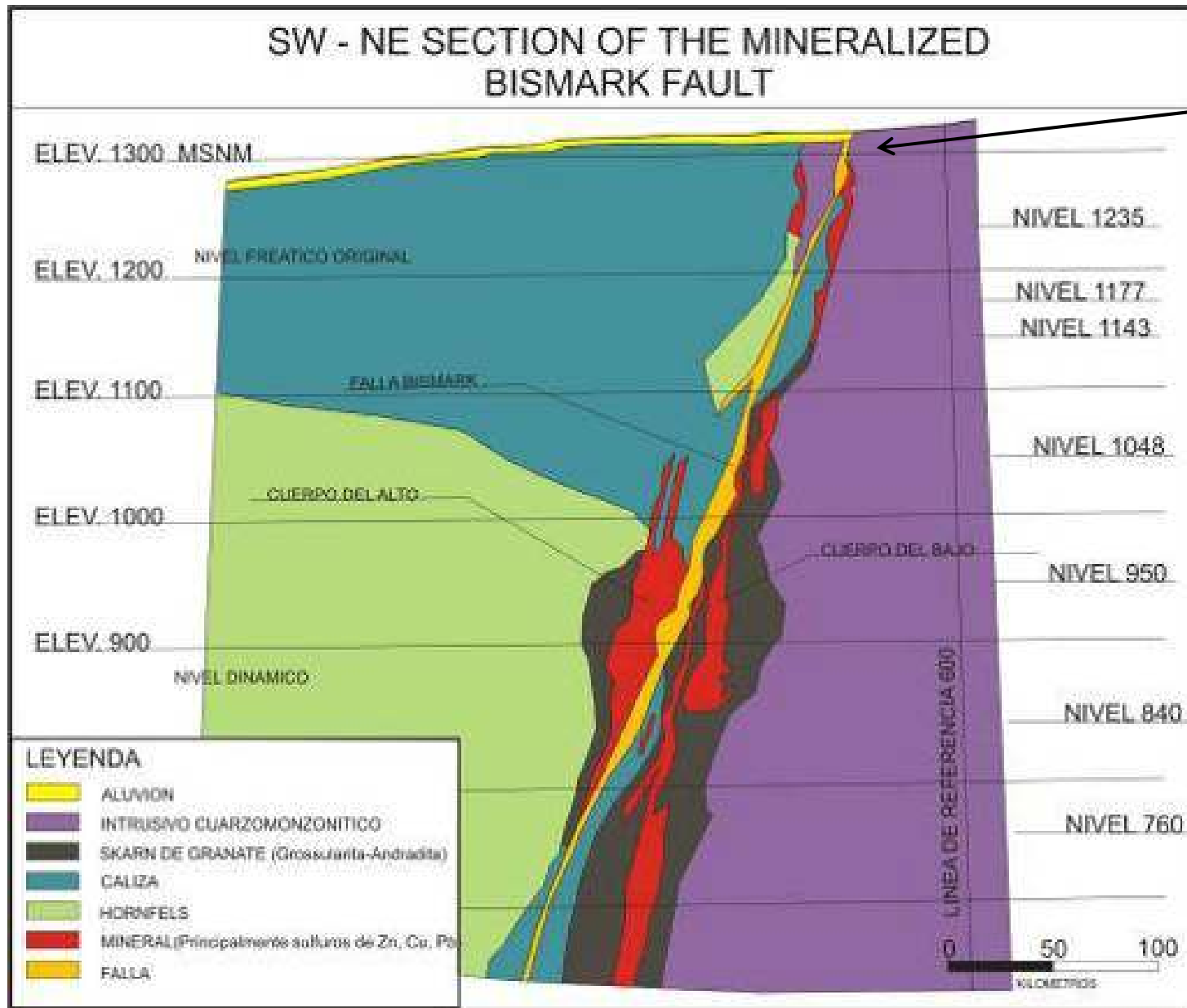
DEPOSIT TYPE AND LOCATION

- ❖ **Deposit Type:** Skarn and possible CRD/Porphyry with significant precious and base metal grades
- ❖ **Mineralization:** In skarns, intrusives, veins, jasperoids, and altered limestones, with **Au (to 9.5ppm)** and **Ag (to 257ppm)**, **Cu (to 7.1%)**, **Pb (to 9.8%)**, **Zn (to 2.0%)**
- ❖ **Geophysics:** Very strong IP response over 2.8km strike associated with very strong magnetics in area of late diorite dikes with IP anomaly open to south
- ❖ **Location:** San Jose property is comprised of **5,850 hectares**, in the vicinity of the border with USA, approximately 125 kilometers west of El Paso, Texas (Juarez, Chihuahua, Mexico)
- ❖ **Accessibility:** Road access and local infrastructure is good; 15 km to the east is the agricultural settlement of Guadalupe Victoria
- ❖ **Terrain:** Rolling hill country dominantly, not steep mountainous area
- ❖ **Community:** Good relations exist with the local Ejido and Community, who own the surface rights
- ❖ **Historical Mining:** 14+ short shafts and pits with small production dating from 1975; Au reported to be 1-5ppm, Ag 50-1000ppm and 5-8% Pb
- ❖ **Nearby Mining:** San Jose is located 53 km northwest of the underground Bismark Mine, operated by Grupo Peñoles. The Bismark Mine is a producer of Ag, Pb, Zn and Cu. Ore mining and processing started in 1992 and continues at 2,500 tpd.

GEOLOGY AND MINERALIZATION

- ❖ Potential for large Skarn deposits with possible Mantos & CRD and porphyry mineralization
- ❖ Dimensions of IP anomaly indicate possible large tonnages
- ❖ High surface assay values may represent leakage of more voluminous mineralization associated with the very strong IP anomalies at depth
- ❖ Strong magnetic anomaly in southwest side of survey area may represent mineralized intrusive body
- ❖ Mineralized intrusive rocks emplaced into Paleozoic/Mesozoic limestones (Concha Unit, Cuchillo Unit & Aurora Group)
- ❖ Intrusive rocks manifest as early granodiorite, intermediate monzonite, and late diorite dikes associated with IP and magnetic anomalies and mineralization
- ❖ Intrusive rocks occur with various types and degrees of alteration including propylitic, silicification, endoskarn, disseminated pyrite, and specularite/magnetite
- ❖ Exoskarn mineralization is grossularite \pm diopside, locally with hydrous retrograde silica + clay and overprinting quartz veins and silicification
- ❖ Au mineralization, principally in late quartz veins, overprint the skarn and is associated with late silicification in the exoskarn and mineralized intrusive rocks
- ❖ Mineralization is similar to that found at Bismark Mine about 53 km to southeast

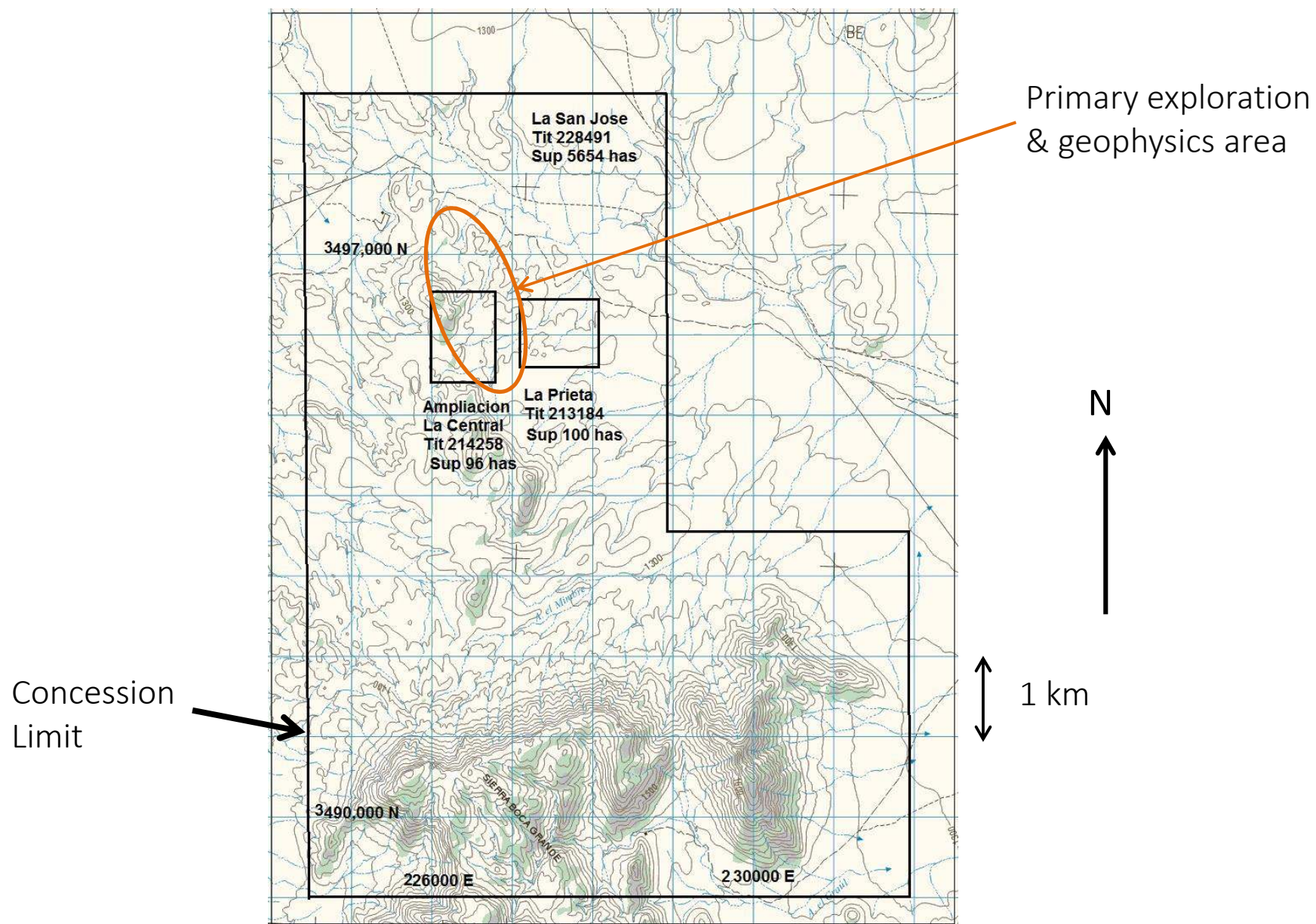
BISMARCK MINE = SAN JOSE TARGET MODEL



- ❖ Note Minimal Surface Expression, like San Jose Property
- ❖ Discovered in 1979 by Geophysical Survey: Magnetic & IP
- ❖ Ore Reportedly Nearly Mined Out: Looking for Nearby Ore Deposit to Feed 2,500tpd Mill

Note: The Bismark Mine is regarded as a comparative exploration model for the San Jose Property, and mineralization at the Bismark Mine is not necessarily indicative of mineralization that may be hosted on the San Jose Property.

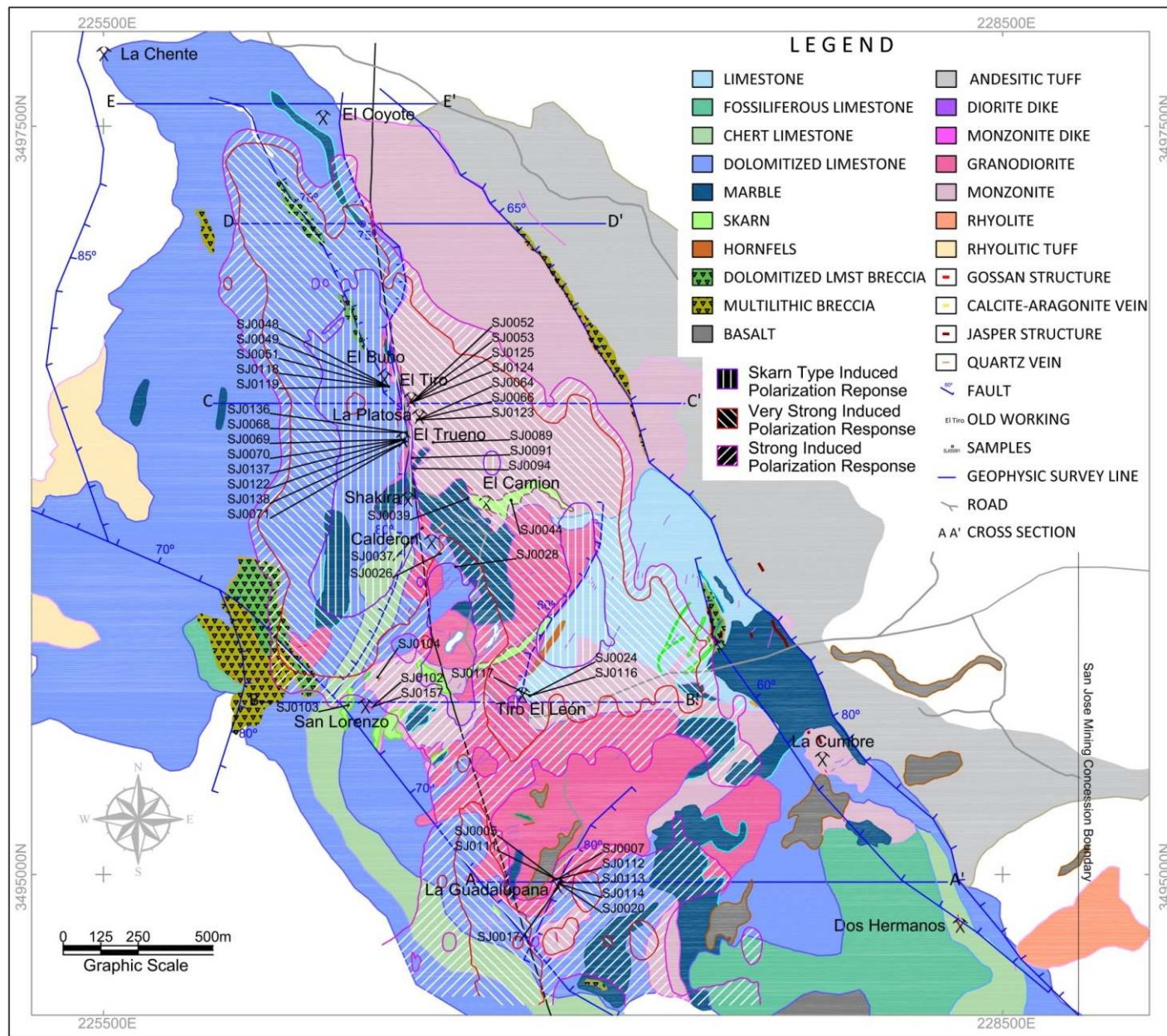
MINING CONCESSION MAP



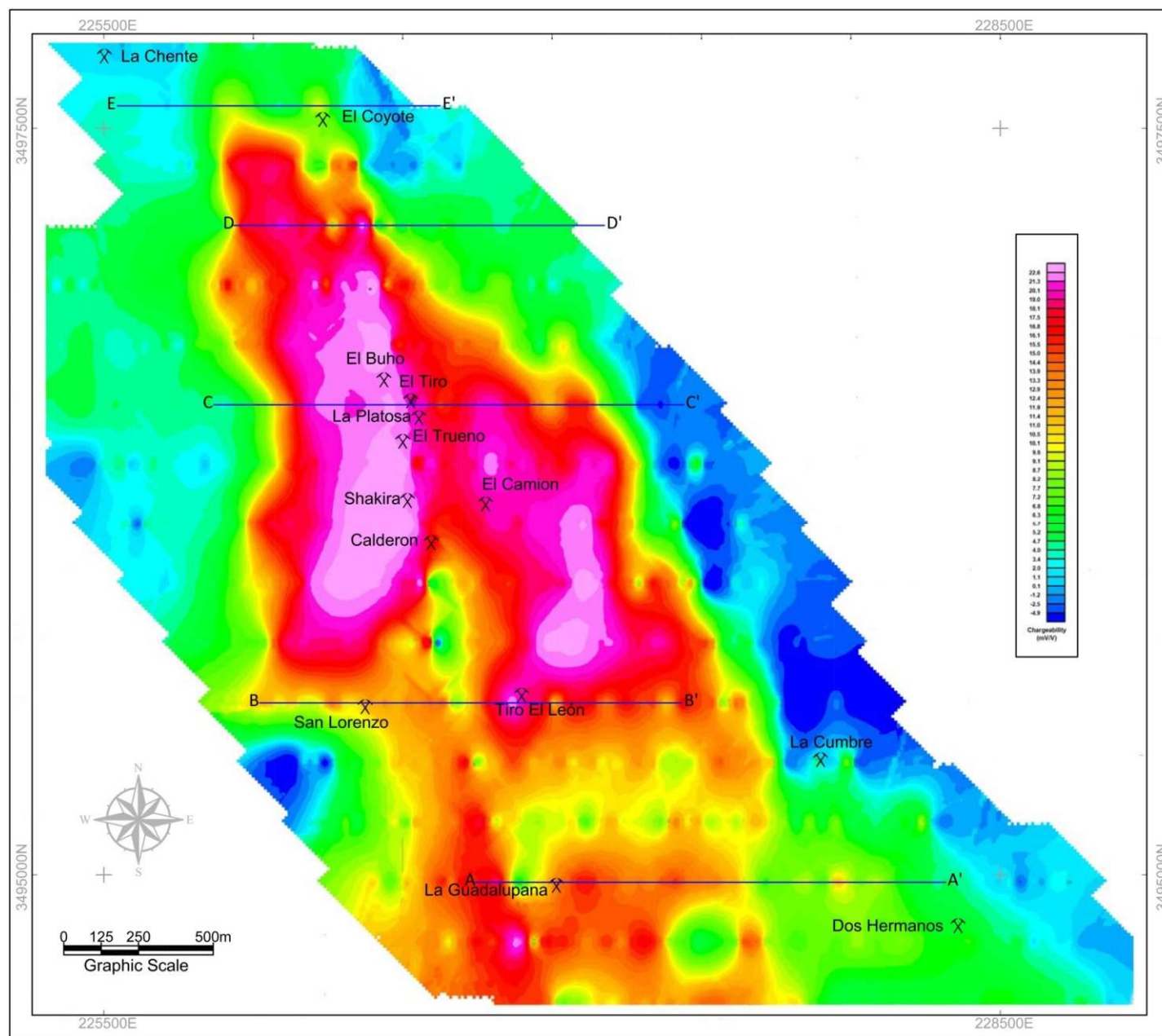
WORK COMPLETED

- ❖ Geological mapping completed over the primary area of old mines +/- 820 hectares
- ❖ 167 surface samples taken
- ❖ QAQC standards included in samples assayed at ISO Certified Laboratory, ALS Chemex, with good results in blanks and mineralized standards
- ❖ Geophysics including magnetic and IP were completed over +/- 700 hectares, with large and positive results, indicating likely sulfide mineralization
- ❖ Two houses rented in nearby Guadalupe de Victoria to accommodate Monarca and contractor personnel
- ❖ Developed strong relationship with local community

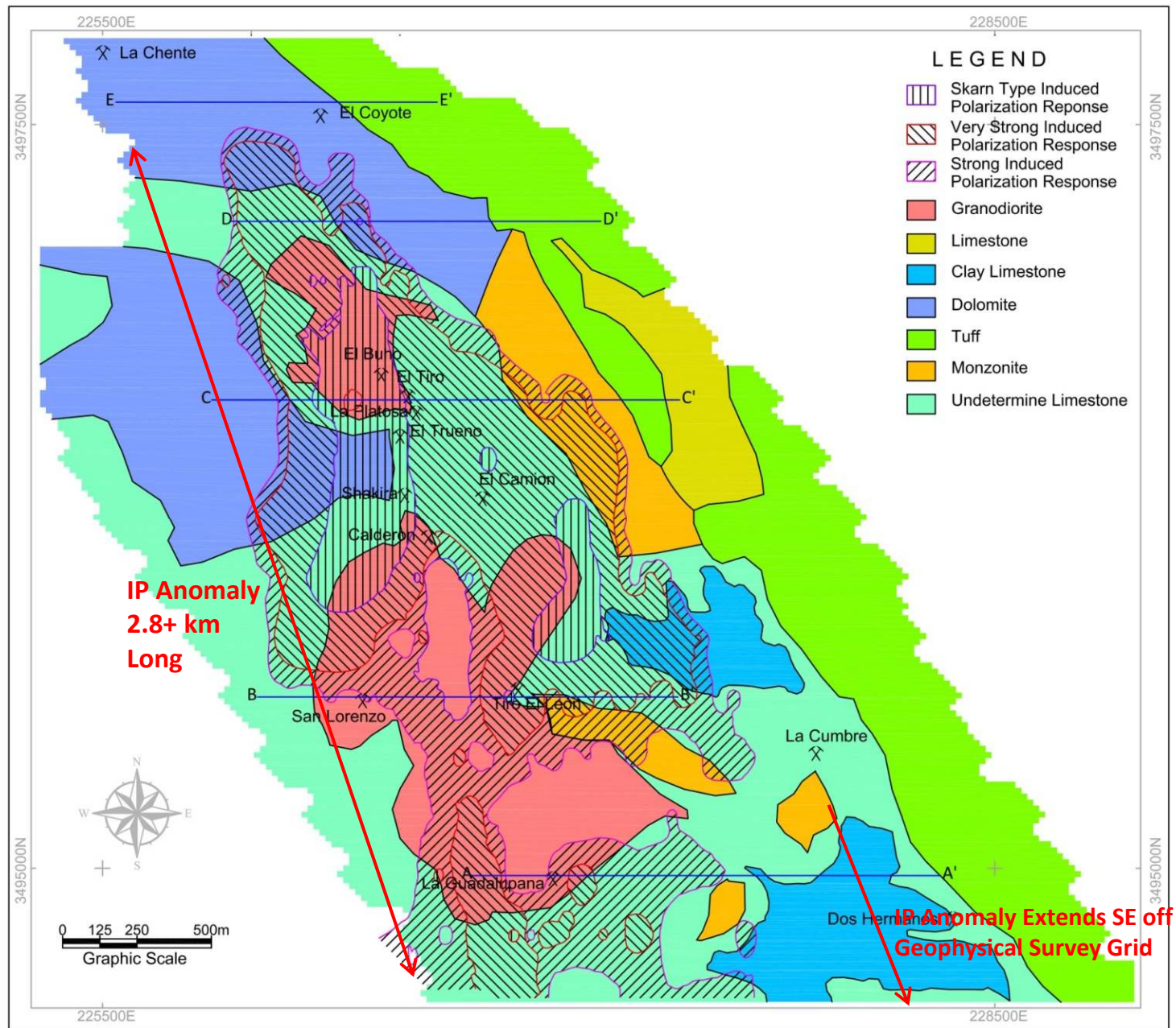
SURFACE GEOLOGICAL MAP & GEOPHYSICAL INTERPRETATION



GEOPHYSICAL IP RESPONSE & SECTION LINES



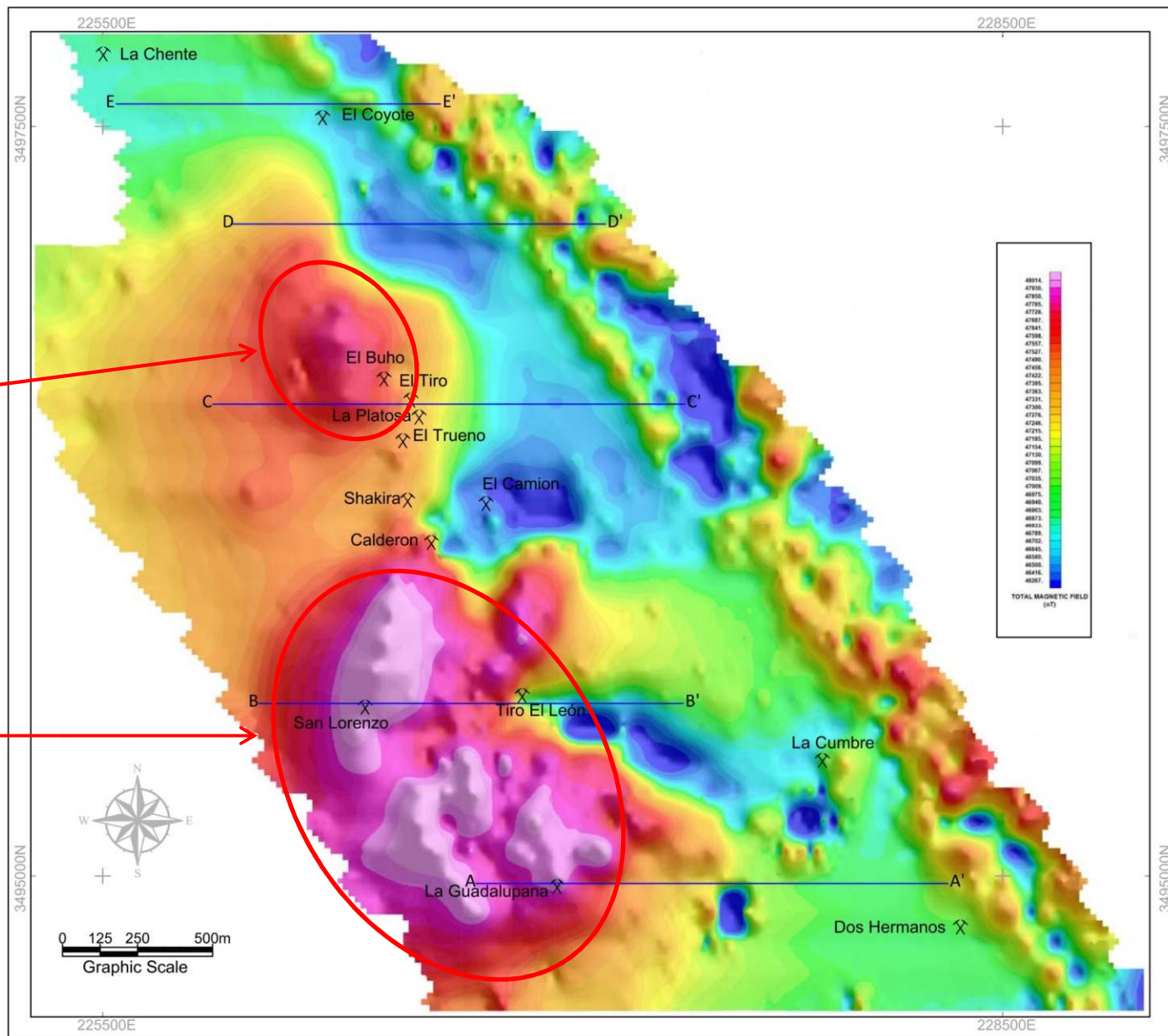
INTERPRETED SUB-SURFACE GEOPHYSICS & GEOLOGY MAP



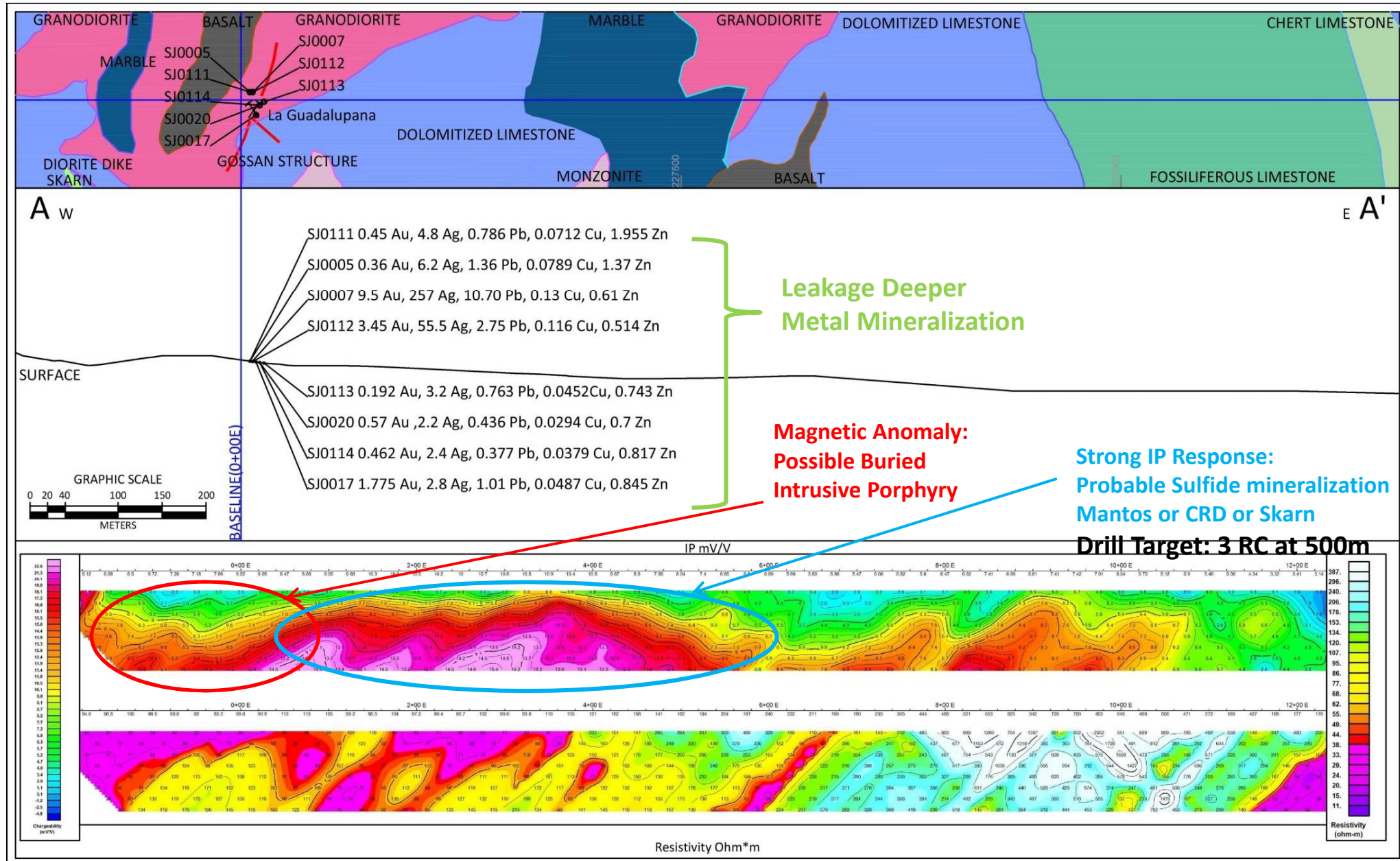
MAGNETIC ANOMALY

**Possible
Buried
Intrusive
and/or
Mineralization
In Skarn**

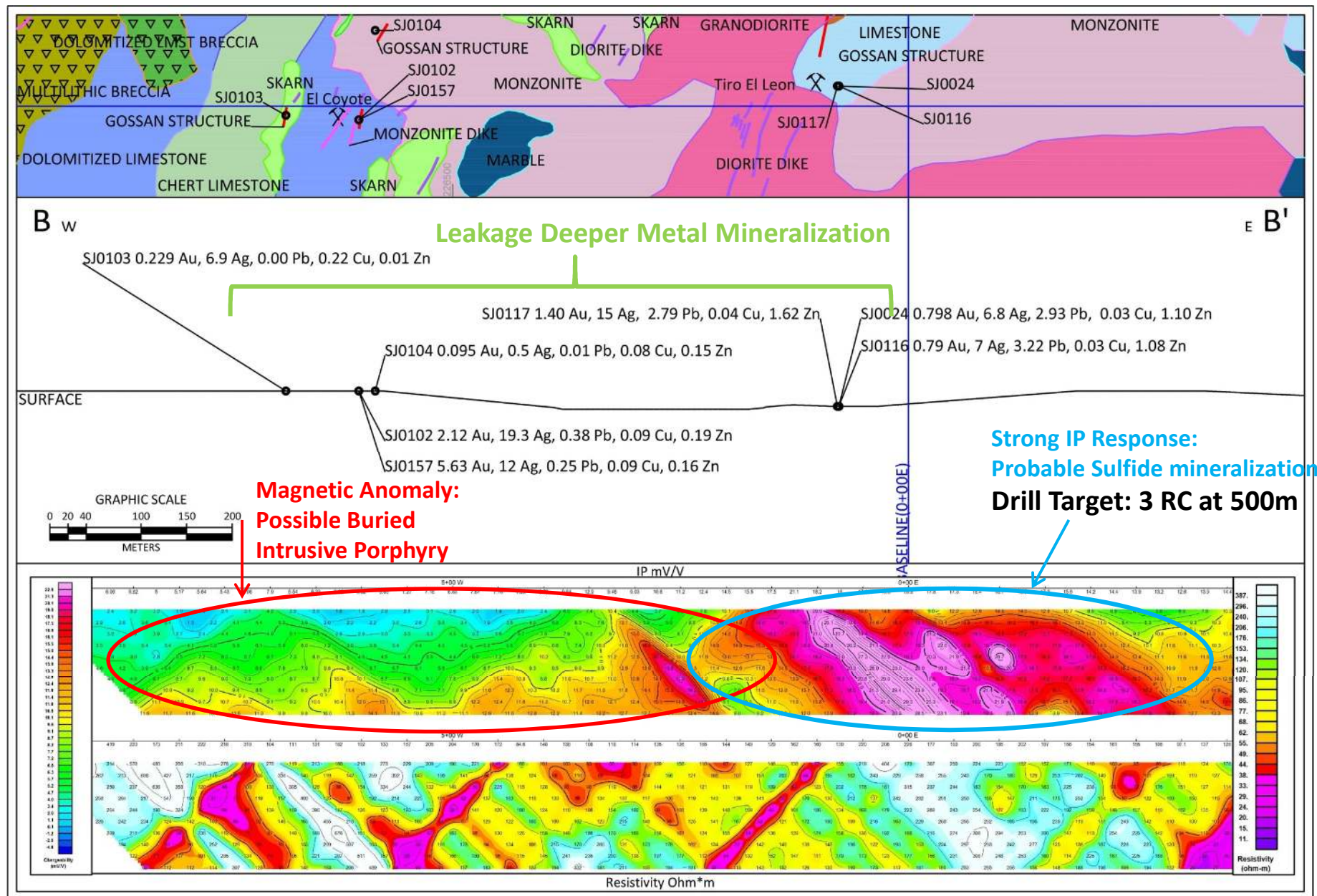
**Possible
Buried
Intrusive
Porphyry**



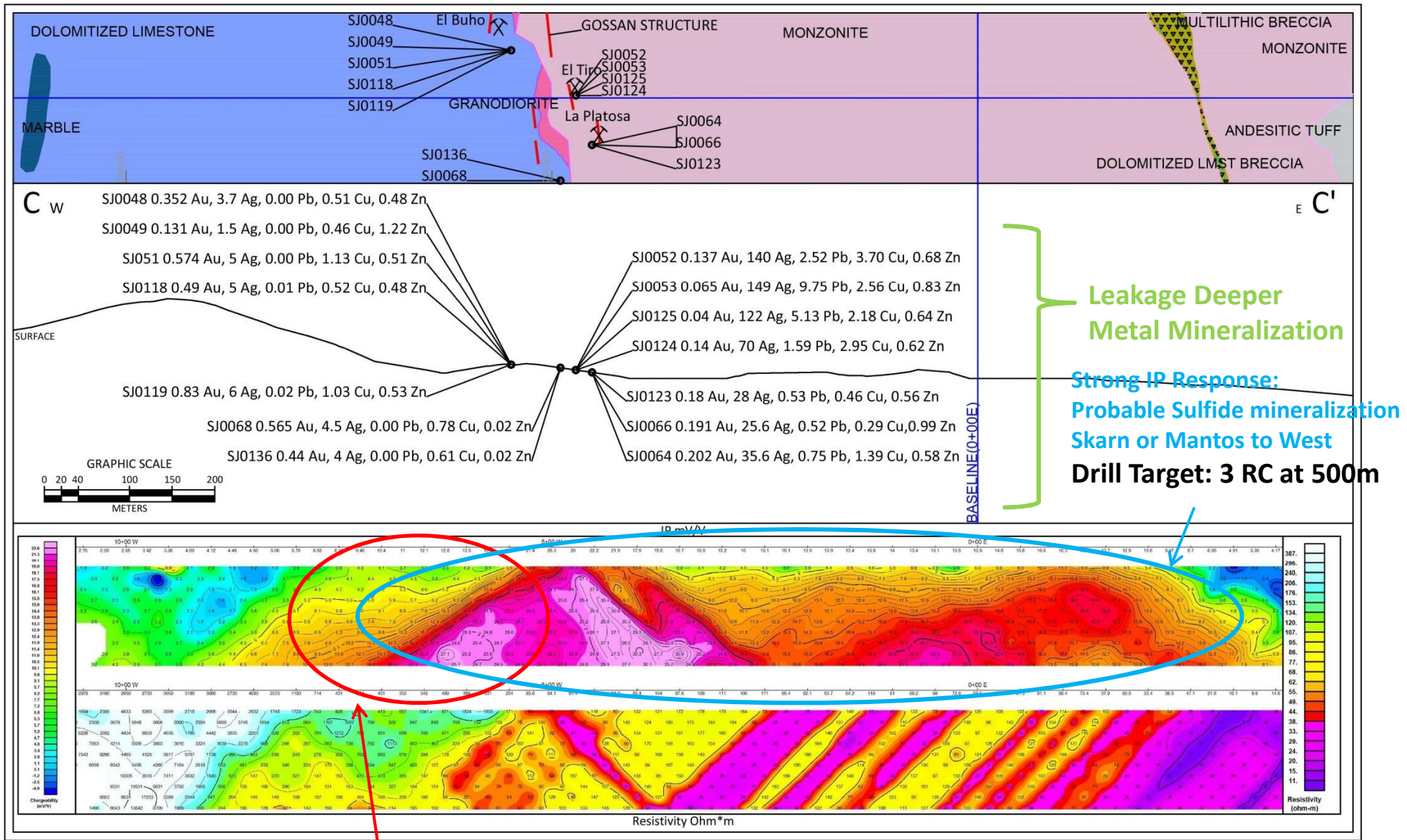
IP & RESISTIVITY & GEOLOGY SECTION: SOUTH END OF SURVEY AREA (LA GUADALUPANA MINE)



IP & RESISTIVITY & GEOLOGY SECTION: MIDDLE OF SURVEY AREA (TIRO EL LEON MINE)

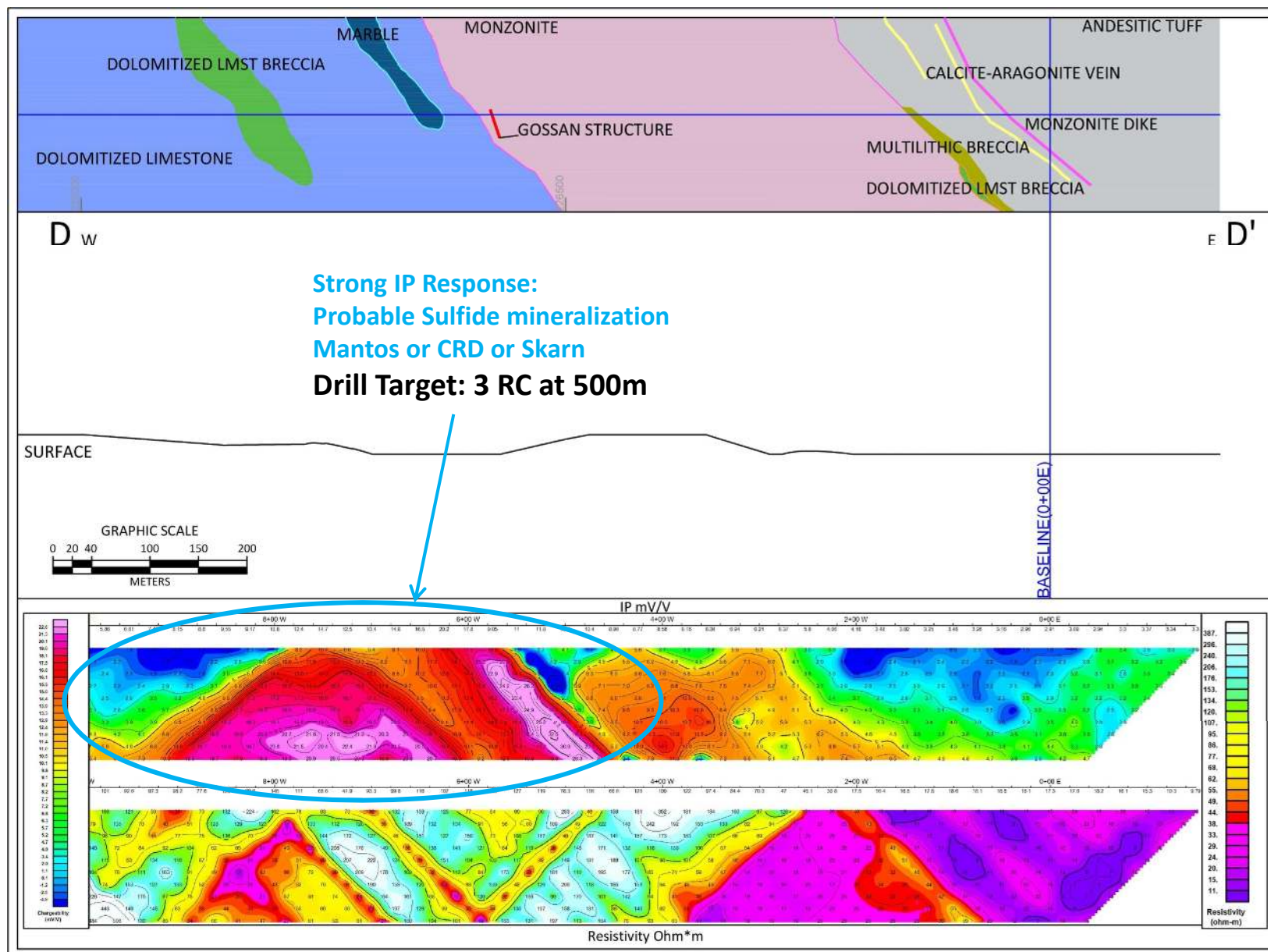


IP & RESISTIVITY & GEOLOGY SECTION: NORTH PORTION OF SURVEY AREA (EL BUHO MINE)

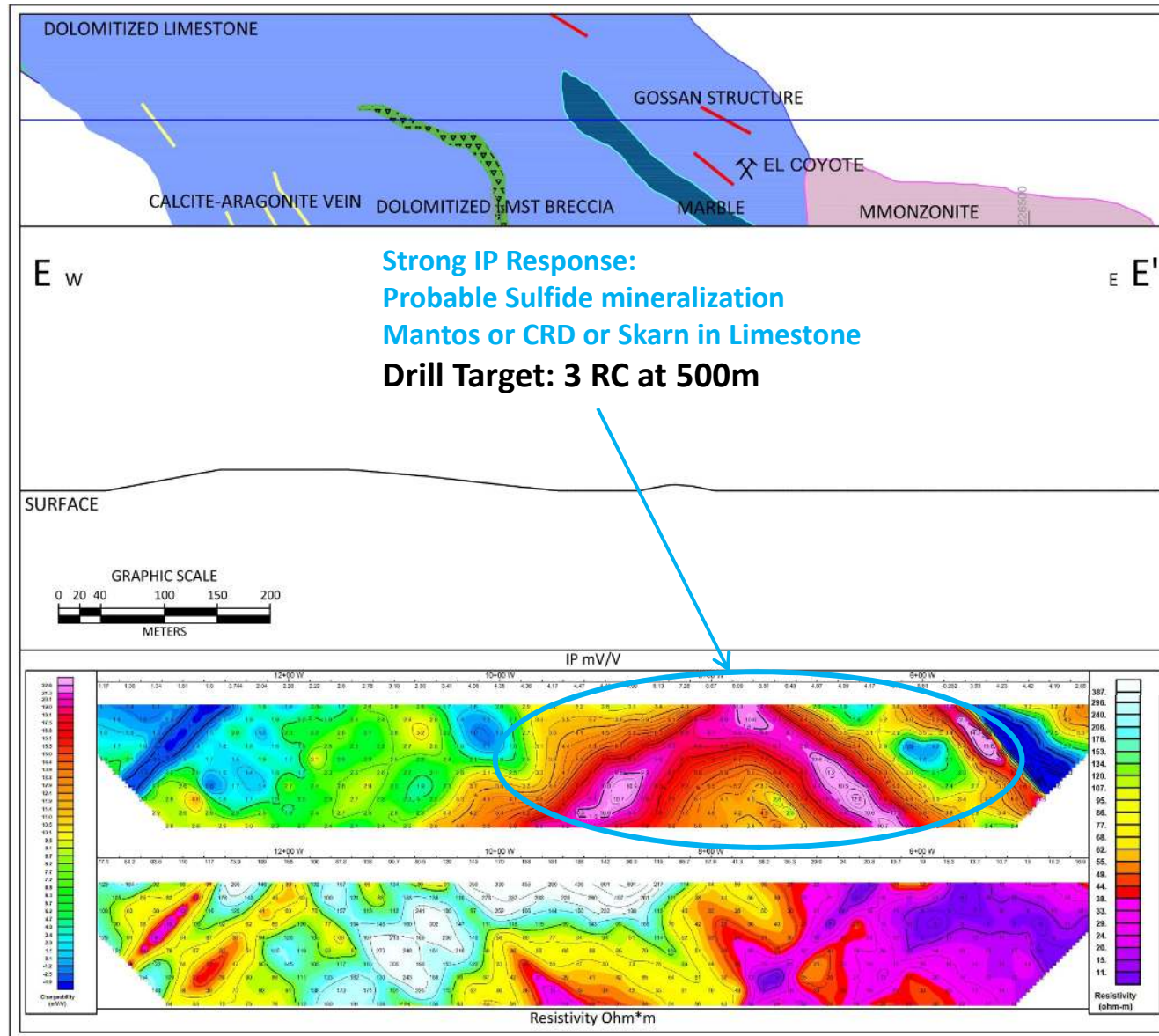


Magnetic Anomaly:
Possible Buried
Intrusive Porphyry

IP & RESISTIVITY & GEOLOGY SECTION: NORTH PORTION OF SURVEY AREA (JASPEROID AREA)



IP & RESISTIVITY & GEOLOGY SECTION: NORTH PORTION OF SURVEY AREA (EL COYOTE MINE & JASPEROID)



SAN JOSE EXPLORATION PROGRAM 2019

- ❖ San Jose is drill-ready. There are numerous and expansive IP geophysical targets to drill.
- ❖ Geophysical IP penetration was to 450 m, so drilling is planned to 500 m depth
- ❖ RC Phase 1 drilling (with a booster compressor) is proposed in 2019 as a first pass along section lines, A, B, C, D and E, with an additional line of holes between sections B and C
- ❖ Nine to eighteen holes at 500 m each, totalling 4,500 m to 9,000 m, are proposed. One hole at each section line (6) would be done in the first phase to calibrate remaining drilling.
- ❖ Cost including road construction, drilling, assaying, manpower, transportation, accommodation and community engagement is estimated to be between US\$500,000 to US\$1,000,000
- ❖ A drilling period of about 35 days is expected
- ❖ Follow up reporting, map generation and administration
- ❖ Core drilling would follow pending positive results from RC drilling program



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