



MONARCA MINERALS
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SAN LUCAS PROJECT

Technical Data

June 25, 2019

FORWARD LOOKING STATEMENT

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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 LUCAS OVERVIEW

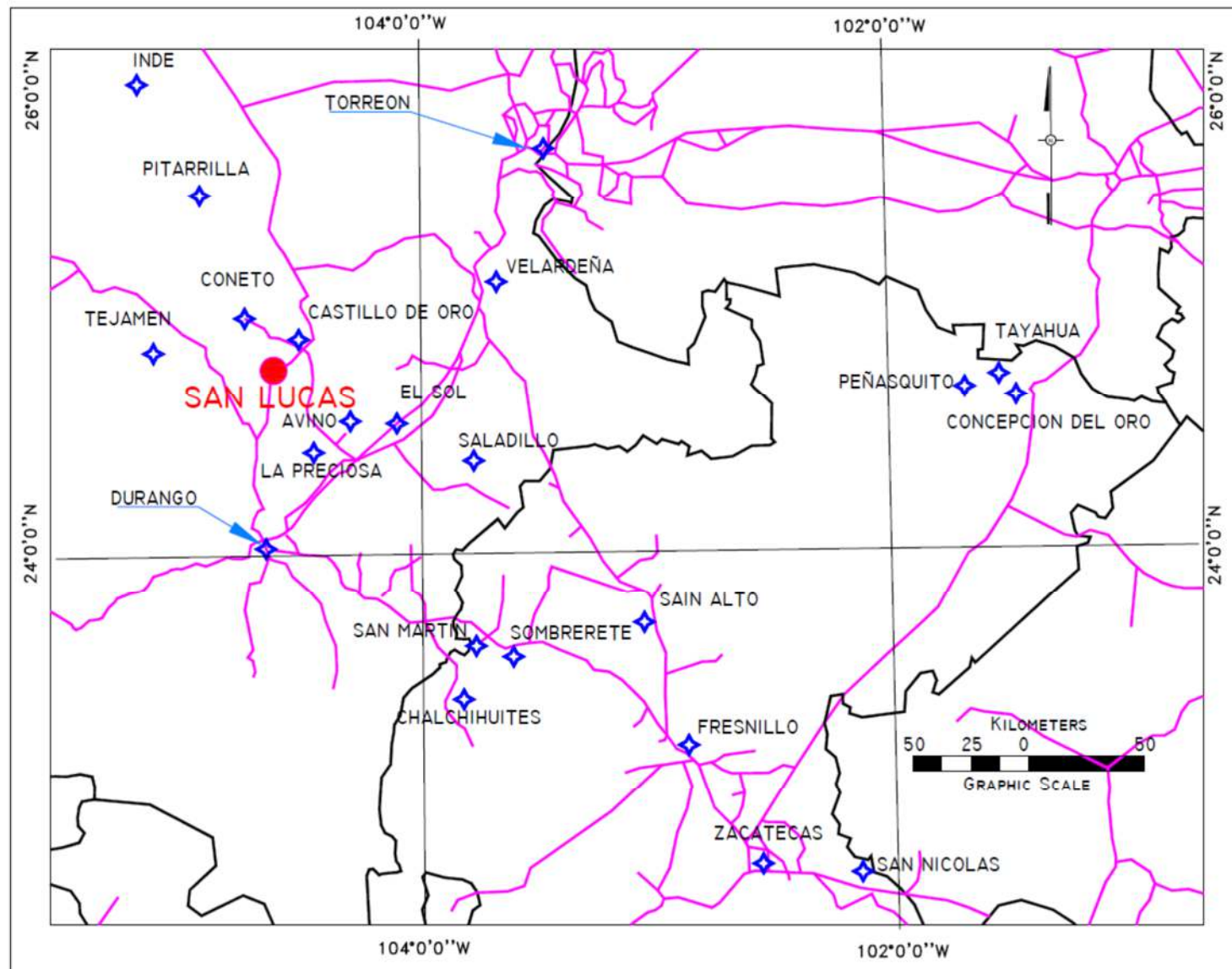
- ❖ Two parallel vein structures have been identified in the 3km long mineralized Main Shear zone.
- ❖ 12 historical RC holes have been drilled, ranging from about 124m to 212m and averaging 158 m in depth.
- ❖ Drilling results include up to 2m at 147ppm Ag, with 1.66% Zn and 0.41% Pb (MMSL-008; 48m-50m depth).
- ❖ And up to 0.585ppm Au and 11.9ppm Ag (MMSL-19; 36-38m depth).
- ❖ Exploration upside in the El Doctor vein area (Noche Buena) in outcrop channel sampling (up to 1.4m at 110ppm Au and 168ppm Ag).
- ❖ Luismin obtained some very high grade underground sampling results, with up to 256ppm Au and 391ppm Ag, over 0.55m.
- ❖ Potential exists for the principal veins below previous drilling depths, where the base of the volcanic host rocks encounter schist, phyllite and limestone. The sub-volcanic rocks remain untested on the Main Shear areas, where there is significant potential for large manto deposits.
- ❖ A 2005 43-101 compliant Technical Report (Richards) states that a “centre of mineralization exists in the northern portion of the Main Shear” and that this is an “expression of manto style mineralization at depth”, in underlying carbonate rocks.
- ❖ An exploration program for 2019 is proposed with estimated cost is US\$850,000.
- ❖ Efforts have been started to consolidate the San Lucas land package

SAN LUCAS SITE CONDITIONS

- ❖ 100% ownership of San Lucas project mining concessions.
- ❖ 79.6 ha in 8 mining concessions.
- ❖ Close to infrastructure and easy topography.
- ❖ Good and long-standing relationship with the community.
- ❖ Surface land title owned by the San Lucas Community (not Ejido).
- ❖ New pro-mining government at local and state level.
- ❖ Active support from governmental authorities to help with community relationship.



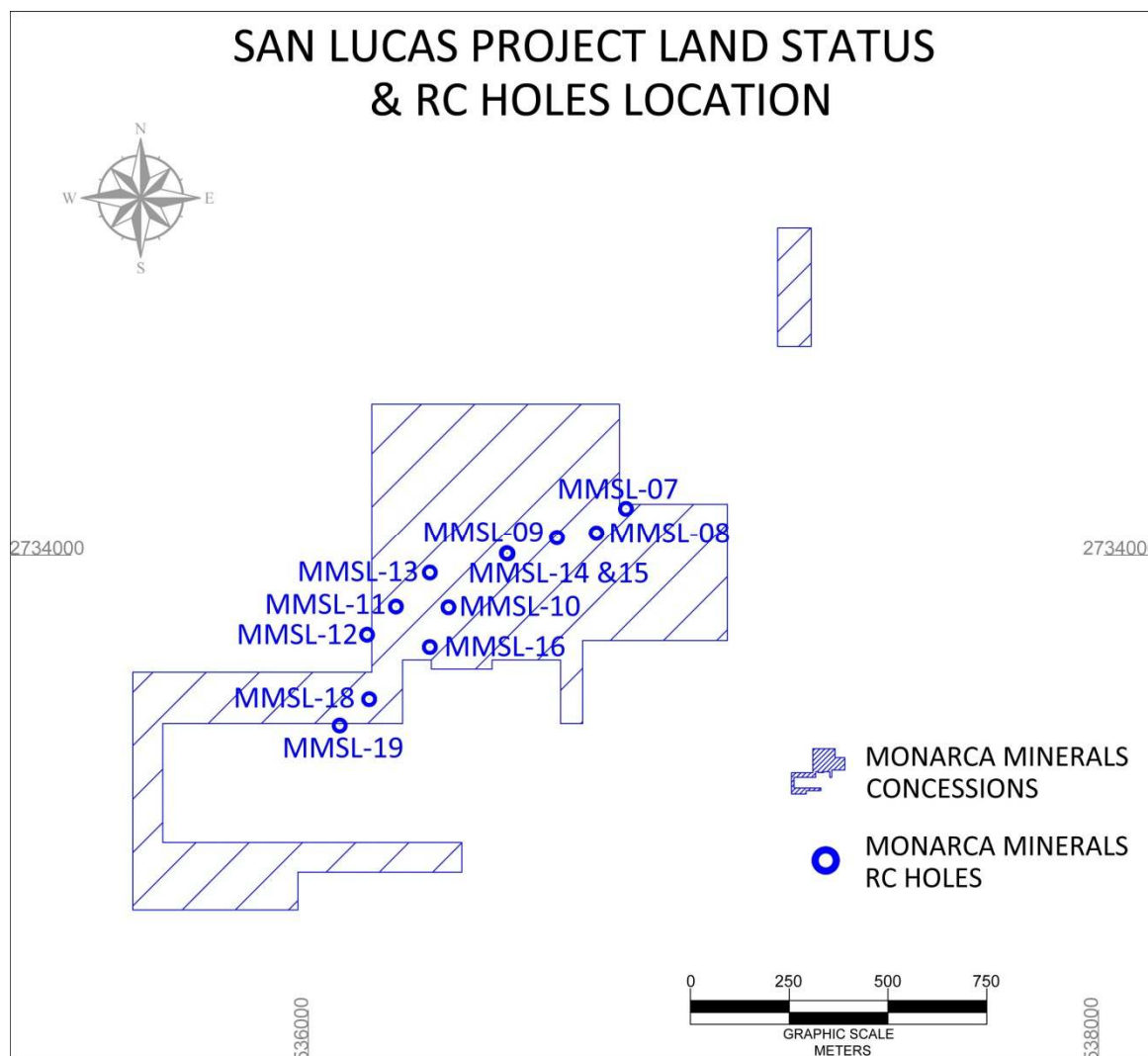
SAN LUCAS LOCATION



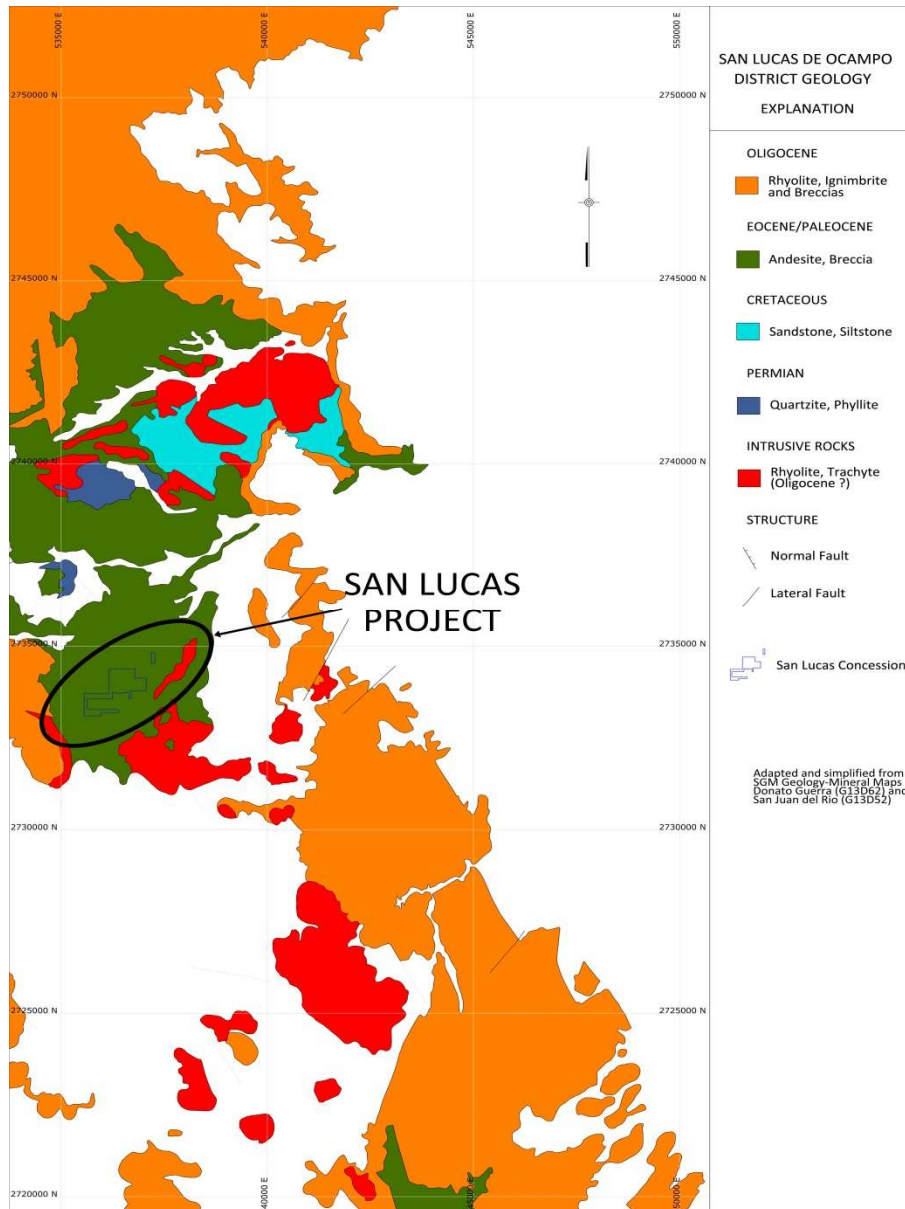
San Lucas is located in an area with numerous important historical and operating Ag and Au mines. Line power runs through the project.

SAN LUCAS DRILLHOLE MAP

- ❖ Drilling results include up to 2m at 147ppm Ag, with 1.66% Zn and 0.41% Pb (MMSL-008; 48m-50m depth).
- ❖ Twelve RC holes have been drilled at San Lucas
- ❖ Mostly to depths of about 150m
- ❖ Manto potential below 200m in untested vein areas
- ❖ Luismin obtained some very high grade underground sampling results, with up to 256ppm Au and 391ppm Ag, over 0.55m.



SAN LUCAS GEOLOGICAL MAP



On the district scale, there is a distinct NW-trending topographic/structural trend.

The rocks are Permian phyllites and Cretaceous clastic and limestones, overlain by Tertiary Lower Volcanic Sequence and Upper Volcanic Sequence rocks.

The San Lucas Project is located at a NE-trending rupture of that pattern which exposes rocks as old as the Permian phyllites at the surface.

The geologic setting provides two main ingredients for mineralization:

1. Large scale and by inference deep structures to provide plumbing for mineralizing fluids, and
2. Heat, aka Tertiary volcanism, to drive the mineralizing system.

The San Lucas mining district is a historical mining area mined mostly by small miners since the 1880s. Mining was done on a relatively small scale and there are no significant known environmental issues.



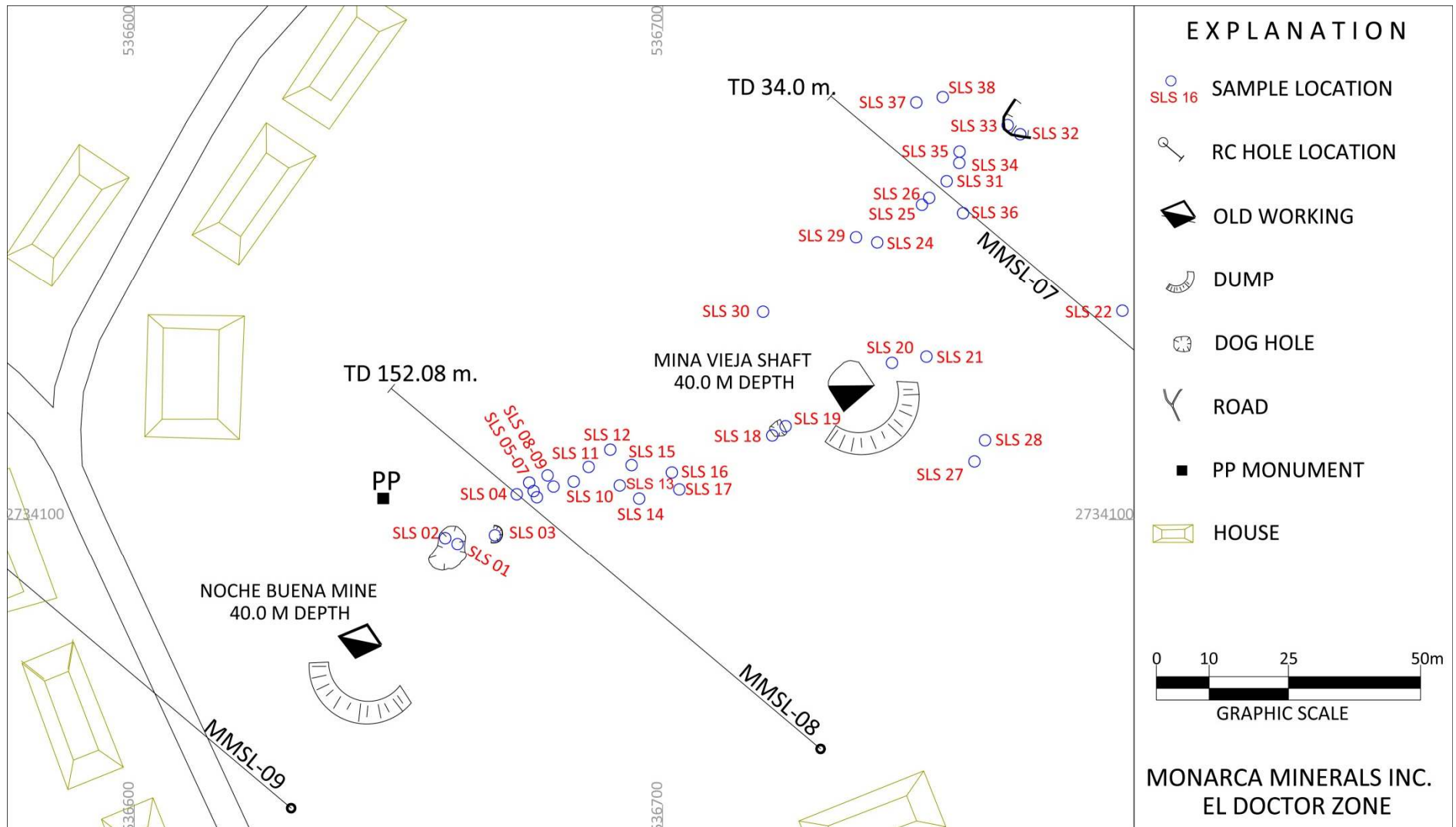
SAN LUCAS – BEST EARLY SAMPLING RESULTS

- ❖ In 1980 Consejo de Recursos Minerales (CRM) reported sampling (82 channels) at the Noche Buena (Doctor) portion of the Main Shear, over 167m of strike. The average grade was 2.9ppm Au and 106.6 Ag, over an average width of 1.22m.
- ❖ CRM reported sampling (29 channels) at the Relis portion of the Main Shear, over 95m of strike. The average grade was 13.77ppm Au and 67.05ppm Ag, over an average width of 0.83m.
- ❖ CRM reported that sampling (141 channels) at the Veta Grande portion of the Main Shear, over 610m of strike. The average grade was 5.6ppm Au and 248.2ppm Ag, over an average width of 0.90m.

EL DOCTOR ZONE SAMPLING HIGHLIGHTS

- ❖ Outcrop sampling (89 channels) identified two parallel Au/Ag zones with over 270 meters of strike length, known as the El Doctor zone.
- ❖ The highest grade channel sample was 1.4 meters at 110.04ppm Au, 168ppm Ag and 1.05% Pb (SLS 09).
- ❖ Of the 89 channel samples, 75% show grades over 0.50ppm Au.
- ❖ The average Au grade of 89 samples, exclusive of the high grade 110ppm Au sample, is 3.22ppm.
- ❖ The Ag grades range from trace to 264ppm, averaging 51.9ppm.
- ❖ Re-logging of previously-drilled nearby holes has been started to assist in planning a drill program to test the new zones.
- ❖ Drilling has not tested the intersection of the veins with underlying schist/limestones.
- ❖ Previous drilling encountered anomalous Au and Ag grades at shallow depths in the zone.

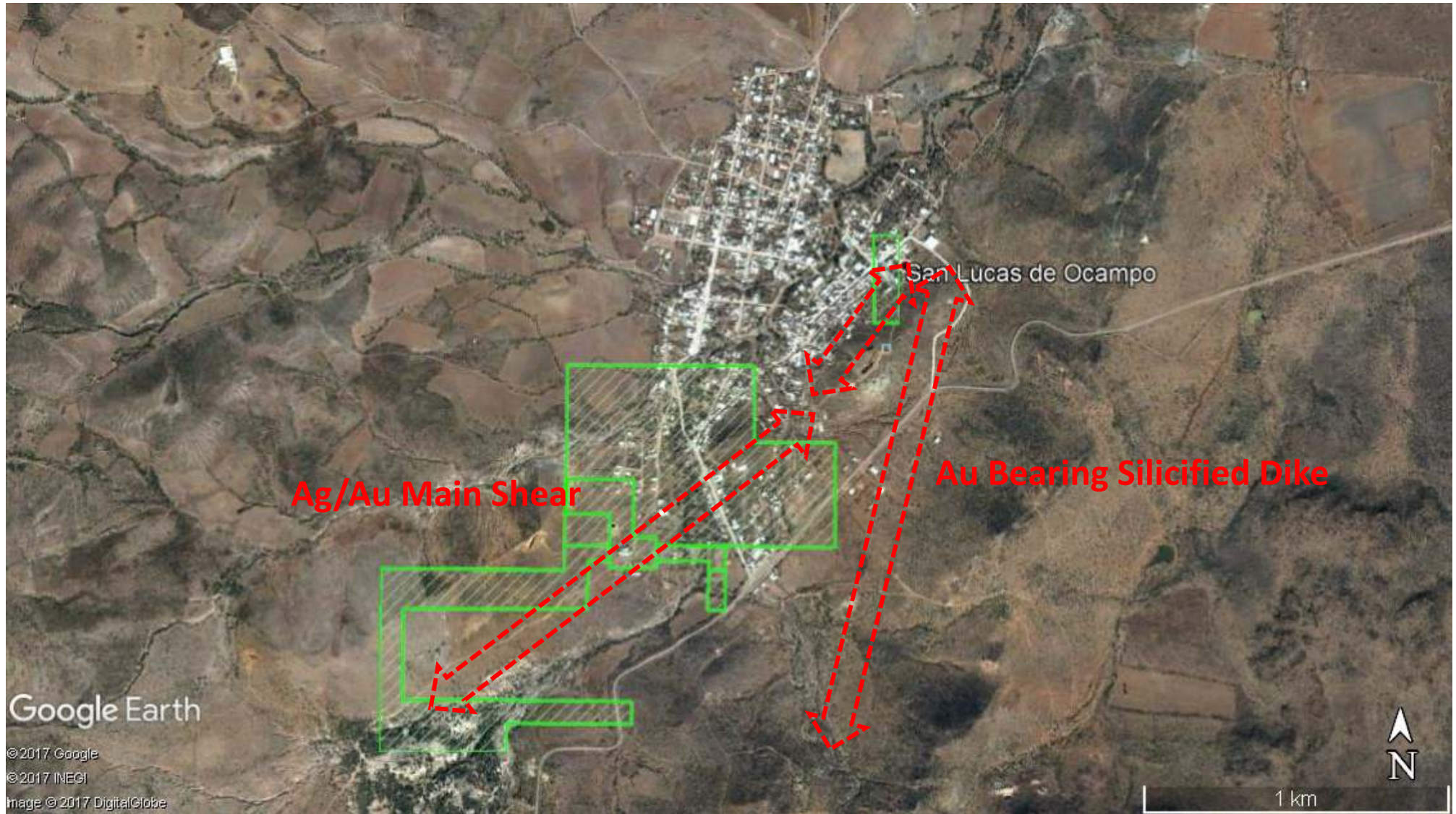
EL DOCTOR ZONE MAP





TSX VENTURE: MMN

SAN LUCAS SATELLITE IMAGE



Showing gentle topography in the area and around to the San Lucas Project

SAN LUCAS PROPOSED 2019 WORK PROGRAM

- ❖ The primary focus of new work at San Lucas should consist of drilling the primary higher grade locations along the Main Shear Au/Ag veins, at depths of 200-300m to test for manto mineralization below the volcanic rocks.
- ❖ An IP geophysical program is proposed over the Main Shear zone. The estimated cost is US\$100,000.
- ❖ Re-logging and re-assaying of historical drilling samples needs to be done and the geological model refined, in advance of drilling. The estimated cost is US\$50,000.
- ❖ The drilling program is estimated to consist of 8 core holes to a nominal depth of 400m each, totaling 3,200m. The cost is estimated to be US\$700,000, including administration, sample management, assaying and interpretation.
- ❖ The total San Lucas 2019 exploration program is estimated to be US\$850,000.



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