



MONARCA MINERALS
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MONARCA MINERALS - SHARES FOR DEBT TRANSACTION AND STOCK OPTION GRANT

TORONTO, Ontario, July, 28 2020 --Monarca Minerals, Inc. ("Monarca" or the "Company") (TSX-V:MMN), announces that it is proposing to settle an aggregate of approximately \$380,600.00 owing to certain officers and directors, and service providers to the Company through the issuance of an aggregate of approximately 7,612,000 Common Shares of the Company at an implied issue price of C\$0.05 per Common Share. The Company determined to satisfy the indebtedness with common shares in order to preserve its cash for the development of its business.

The amount to be settled includes approximately \$202,000 out of \$350,000 in accrued directors' fees and management and consulting fees owing to the Company's directors and officers, as the case may be. The completion of the debt settlement is subject to receipt of TSXV approval. The common shares issued pursuant to the debt settlement will be subject to a four month hold period.

The participation by the insiders in the shares for debt transaction is considered a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction will be exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 on the basis that the debt settlement with related parties constitutes the distribution of securities of the Company for cash consideration of less than \$2.5 million. Neither the Company nor, to the knowledge of the Company after reasonable inquiry, the related parties, have knowledge of any material information concerning the Company or its securities that has not been generally disclosed. The debt settlement with each related party will be unanimously approved by the Company's independent directors.

In addition, Monarca is pleased to announce that it has granted 1,250,000 stock options to the directors of the Company. The stock options are exercisable for common shares at a price of \$0.075 share and have a term of four years. These stock options vest over a period of 4 years following the grant date and are governed by the terms and conditions of the Company's stock option plan.

Following this grant of stock options, the Company has a total of 3,325,000 stock options outstanding representing approximately 5.8% of the outstanding common shares of the Company.

About Monarca Minerals Inc.

Monarca is a Canadian mining company listed on the TSX Venture Exchange (TSXV:MMN) and focused on the exploration and development of silver projects along a highly productive mineralized belt in Mexico. The Company has a portfolio of silver projects including an Inferred Mineral Resource of 19.8 million tonnes at 45.0 g/t Ag (28.7 million ounces of contained silver) at its Tejaman deposit in Durango, Mexico.

For further information, please contact:

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Cautionary Note Regarding Forward-Looking Statements Forward-Looking Statements:

The above contains forward-looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward-looking statements. Factors that could cause such differences include: changes in world commodity markets, equity markets, costs and supply of materials relevant to the mining industry, change in government and changes to regulations affecting the mining industry. Forward-looking statements in this release include statements regarding future exploration programs, operation plans, geological interpretations, mineral tenure issues and mineral recovery processes. Although we believe the expectations reflected in our forward-looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance, or achievements.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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