



MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE-MONTH AND 141 DAY PERIODS
ENDED MARCH 31, 2021

MONARCH MINING CORPORATION

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Management's discussion and analysis

Three-month and 141 day periods ended March 31, 2021

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The Management's Discussion and Analysis ("MD&A") of Monarch Mining Corporation ("Monarch" or the "Company") dated May 11, 2021 is intended to help readers become more familiar with the Company's business. In particular, it explains the changes in the financial position and results for the three-month and 141-day periods ended March 31, 2021. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). As a result, all comparative financial information presented in this MD&A reflects the consistent application of IFRS.

The unaudited consolidated condensed interim financial statements and the management report were reviewed by the Audit Committee and approved by the Company's Board of Directors on May 11, 2021. Unless otherwise indicated, all amounts presented in this MD&A are expressed in Canadian dollars. Additional information about Monarch can be found at www.monarchmining.com and www.sedar.com.

FORWARD-LOOKING STATEMENTS

Some statements contained in this MD&A, especially the opinions, the projects, the objectives, the strategies, the estimates, the intent and the expectations of the Company that are not historical data, are forward-looking statements. Such statements can be recognized by the terms "forecast", "anticipate", "consider", "foresee" and other similar terms and expressions. These statements are based on information available at the time they are made, on assumptions and expectations by management, acting in good faith, concerning future events and concerning, by their nature, known and unknown risks and uncertainties mentioned herein (see the section entitled Risks and uncertainties). These forward-looking statements include, but are not limited to, the Company's exploration and development activities and business objectives. The actual results for the Company could differ materially from those expressed or implied in these forward-looking statements. As such, it is recommended not to place undue reliance on forward-looking statements. These statements do not reflect the potential incidence of special events which could be announced or take place after the date of this MD&A. Except if the applicable legislation requires it, the Company does not intend to update these forward-looking statements to reflect, in particular, new information or future events, and it is by no means committed to doing so.

BUSINESS COMBINATIONS UNDER COMMON CONTROL

On January 21, 2021, Yamana Gold ("Yamana") acquired all of the outstanding shares of Monarch Gold Corporation as part of a plan of arrangement (the "Arrangement"). Under the Arrangement, Monarch Gold Corporation completed a spin-out to its shareholders through Monarch Mining Corporation. Monarch Mining Corporation received all assets and liabilities that were not sold to Yamana, which comprised the following:

- i) The Beaufor mine, the McKenzie Break property, the Croinor Gold property, the Swanson property and the Beacon Gold mill and property and all assets and liabilities related to these properties (collectively the "Transferred Assets"); and
- ii) A net cash amount of \$14 million.

In exchange, the Company issued 66,195,889 shares.

In addition, on January 21, 2021, Monarch Gold Corporation had 11,289,473 warrants (the "Certificated Warrants") outstanding issued pursuant to standalone warrant certificates and 10,042,000 warrants (the "Indenture Warrants") outstanding issued pursuant to a warrant indenture dated September 17, 2020 between Monarch Gold Corporation and Computershare Trust Company of Canada (the "Warrant Indenture").



As part of the Arrangement, for each unexercised Certificated Warrant outstanding at January 21, 2021, the holder received:

- i) one Yamana warrant (a "Replacement Yamana Warrant") to purchase from Yamana 0.0376 of a Yamana share at an exercise price of \$0.074.
- ii) one Monarch Mining Corporation warrant (a "Replacement Monarch Warrant") to purchase from the Company 0.2 of a Company share at a weighted average exercise price of \$0.051.

Each Indenture Warrant of Monarches Gold Corporation shall continue to be governed by and be subject to the terms of the Warrant Indenture, subject to any supplemental indenture, warrant certificate or exercise documents, as applicable, issued provided by the Yamana and Monarch Mining Corporation (as they mutually agree, each acting reasonably) to holders of the Indenture Warrants to facilitate the exercise of the Indenture Warrants and the payment of the corresponding portion of the exercise price therefor. As part of the Arrangement, for each Indenture Warrant outstanding at January 21, 2021, the holder will be entitled to receive:

- i) 0.0376 of a Yamana share for a net exercise price of \$0.311 per Indenture Warrant.
- ii) 0.2 of a Company share for a net exercise price of \$0.097 per Indenture Warrant.

The above transaction was accounted for as a business combination under common control since it occurred between companies under common control. As a result, the transaction was measured in the accounts of the Company using the historical carrying values from the accounts of Monarch Gold Corporation. The Company has also elected not to restate comparatives for periods prior to the acquisition and has elected to recognize the difference between the consideration paid and the carrying values transferred ("Acquisition Adjustment") as an adjustment to retained earnings.

The following table shows the accounting for the business combination under common control on January 21, 2021:

	\$
Consideration paid:	
Common shares issued	43,027,328
Carrying values based on the amounts from Monarch Gold Corporation:	
Cash	14,283,329
Other current assets	3,802,469
In trust deposits	1,430,603
Property, plant and equipment	13,453,013
Mining properties under exploration	25,107,672
Current liabilities	(587,476)
Leases liabilities	(49,358)
Non current liabilities	(1,442,870)
Asset retirement obligations	(4,865,411)
Deferred income and mining taxes	(4,801,790)
Retained earnings (including Acquisition Adjustment)	(3,302,853)
	43,027,328

DESCRIPTION OF THE COMPANY

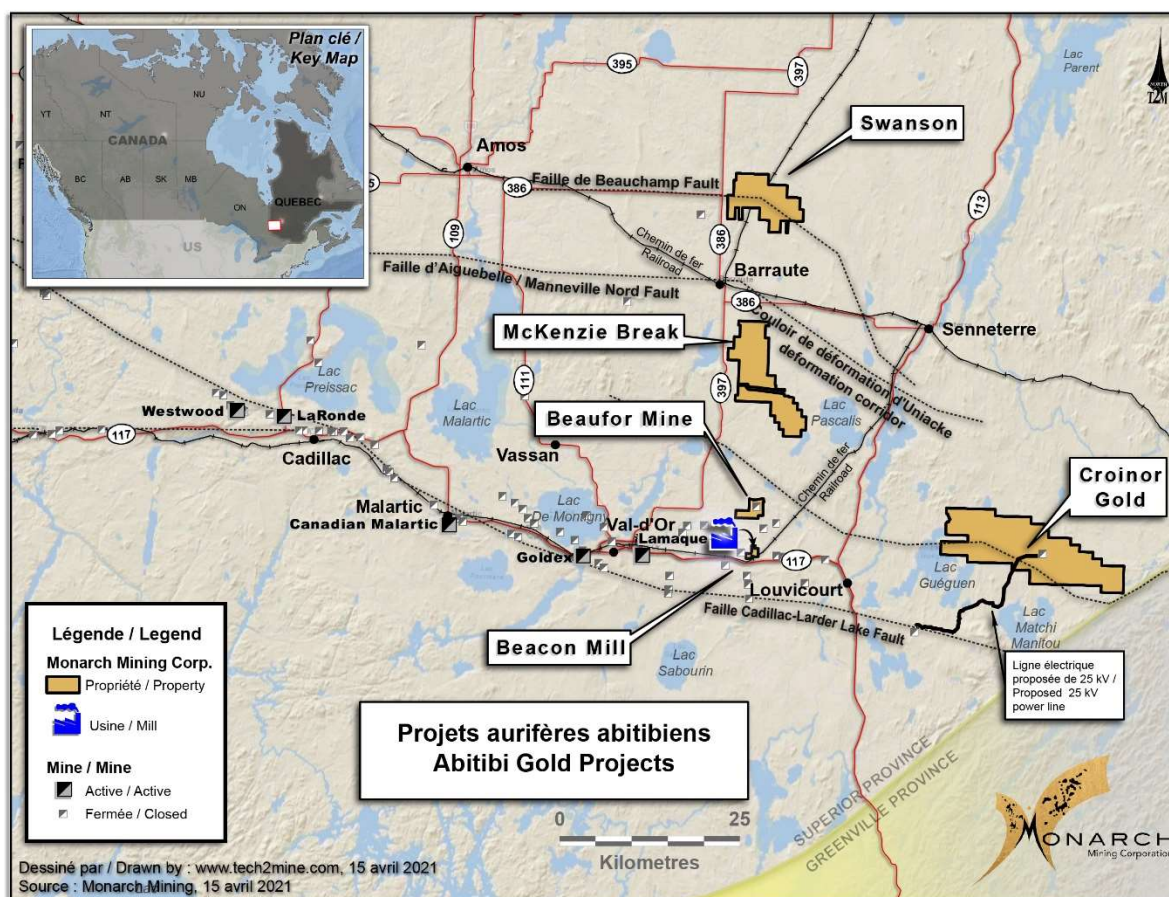
Monarch is a fully integrated mining company with four advanced projects, including the former fully permitted Beaufor mine, which has produced over one million ounces of gold in the past 30 years. Other advanced assets include the Croinor Gold, McKenzie Break and Swanson properties, all located near Monarch's fully permitted 750 tpd Beacon mill. Monarch owns 28,725 hectares (287 km²) of mining assets in the prolific Abitibi mining camp that contain a combined measured and indicated gold resource of 588,482 ounces and a combined inferred resource of 329,393 ounces.

In June 2019, Monarch Gold Corporation had decided to temporarily suspend operations at the Beaufor mine and place it on care and maintenance.

The Company was incorporated on November 11, 2020 under the Canada Business Corporations Act. The address of the head office is 68, avenue de la Gare, Suite 205, Saint-Sauveur, Québec, J0R 1R0. The shares of Monarch are listed on the Toronto Stock Exchange ("TSX") under the symbol "GBAR".

Louis Martin, P.Geo. is the qualified person of the Company within the meaning of NI 43-101 who has reviewed and verified the technical content of this MD&A.

LOCATION OF PROPERTIES



HIGHLIGHTS AS OF MARCH 31, 2021

- On April 29, 2021, the Company announced additional results from its 42,500 meters diamond drilling program at its Beaufor Mine. Monarch continues to produce high grade results including 187.0 g/t Au over 0.5 m, 151.5 g/t Au over 0.5 m and 147.5 g/t Au over 0.3 m, intersecting new mineralized zones and extensions of known zones outside the previously defined resource envelope.
- On March 22, 2021, the Company announced the first set of results from its 2020-2021 exploration diamond drill program on its McKenzie Break property, with 8.46 g/t Au over 13.8 m (45.3 ft), which helped expand the high-grade mineralized zone to the south, east and west.
- On March 8, 2021, the Company announced that it had staked 36 new map-designated cells totalling 1,940 hectares (19.4 km²), increasing the size of the McKenzie Break property to 169 mining claims covering 7,070 hectares (70.7 km²).
- On March 4, 2021, the Company closed a financing of 863,143 provincial flow-through shares (Quebec) at a price of \$1.75 per unit and 2,587,841 federal flow-through units (Canada) at a price of \$1.38 per unit for gross proceeds of \$5,080,000.
- On February 8, 2021, the Company announced an updated mineral resource estimate for its McKenzie Break property.
- On January 28, 2021, the Company announced an updated mineral resource estimate for its advanced Beaufor Mine.
- On January 27, 2021, the Company announced an updated mineral resource estimate for its Swanson property.
- On January 21, 2021, the Company completed the arrangement whereby Monarch Gold Corporation transferred the Beaufor, Croinor Gold, McKenzie Break and Swanson mining properties and other assets and liabilities to a new company, Monarch Mining Corporation, and Yamana acquired the Wasamac property and the Camflo property and mill by acquiring all of the issued and outstanding shares of Monarch (not already owned by Yamana) on a fully diluted basis.

PROPERTY RESOURCES

	Tons (metric)	Grade (g/t Au)	Ounces
Croinor Gold ⁽¹⁾			
Measured Resources	80,100	8.44	21,700
Indicated Resources	724,500	9.20	214,300
Total Measured and Indicated	804,600	9.12	236,000
Total inferred	160,800	7.42	38,400
Beaufor Mine ⁽²⁾			
Measured Resources	121,000	5.62	21,900
Indicated Resources	310,100	7.10	70,800
Total Measured and Indicated	431,100	6.68	92,700
Total Inferred	134,600	6.96	30,100
McKenzie Break ⁽³⁾			
<i>In pit</i>			
Total Indicated	1,441,377	1.80	83,305
Total Inferred	2,243,562	1.44	104,038
<i>Underground</i>			
Total Indicated	387,720	5.03	62,677
Total Inferred	1,083,503	4.21	146,555
Swanson ⁽⁴⁾			
<i>In pit</i>			
Total Indicated	1,864,000	1.76	105,400
Total Inferred	29,000	2.46	2,300
<i>Underground</i>			
Total Indicated	91,000	2.86	8,400
Total Inferred	87,000	2.87	8,000
TOTAL COMBINED ⁽⁵⁾			
Measured and Indicated Resources			588,482
Inferred Resources			329,393

⁽¹⁾ Source: Monarch Gold prefeasibility study (January 19, 2018) and resource estimate (January 8, 2016). This resource was produced for Monarch Gold and has not been reviewed by a qualified person for Monarch Mining Corporation as required by NI 43-101 and is therefore considered a historical estimate.

⁽²⁾ Source: NI 43-101 Technical Report and Mineral Resource Estimate for the Beaufor Mine, December 18, 2020, Val-d'Or, Québec, Canada, Carl Pelletier, P. Geo., InnovExplo Inc. and John Langton, P. Geo., JPL GeoServices Inc.

⁽³⁾ Source: NI 43-101 Technical Evaluation Report on the McKenzie Break Property, February 1, 2021, Val-d'Or, Québec, Canada, Alain-Jean Beaugard, P.Geo., Daniel Gaudreault, P.Eng., Geologica Groupe-Conseil Inc., and Merouane Rachidi, P.Geo., Claude Duplessis, P.Eng., GoldMinds GeoServices Inc.

⁽⁴⁾ Source: NI 43-101 Technical Report and Mineral Resource Estimate for the Swanson Project, January 22, 2021, Val-d'Or, Québec, Canada, Christine Beausoleil, P. Geo. and Alain Carrier, P. Geo., InnovExplo Inc.

⁽⁵⁾ Due to rounding, figures may not add up to the total shown.

OUTLOOK

The Company's main business objectives are: i) to continue exploration and development work at the Beaufor mine and to continue analysis of the potential restart of gold production at the mine and Beacon mill; and ii) to continue the drilling programs on the McKenzie Break and Croinor Gold properties.

KEY FINANCIAL DATA

<i>(In dollars except per-share data)</i>	THREE-MONTH PERIOD ENDED MARCH 31 2021	141 DAY PERIOD ENDED MARCH 31 2021
Administrative expenses	585,444	585,444
Care and maintenance expenses	962,859	962,859
Exploration expenses	1,242,142	1,242,142
Net loss	(2,760,651)	(2,760,651)
Cash flows from operating activities	(1,631,549)	(1,631,549)
Cash flows from financing activities	4,536,743	4,536,744
Cash flows from investing activities	16,108,429	16,108,429
Key per-share data		
Basic and diluted net loss	(0.05)	(0.08)

<i>(In dollars)</i>	MARCH 31 2021
Cash and cash equivalents	19,013,624
Total assets	61,211,859
Non-current liabilities	12,906,332
Shareholders' equity	46,461,437

REVIEW OF FINANCIAL RESULTS

Quarter ended March 31, 2021

General and administrative expenses totalled \$0.6 million for the three months ended March 31, 2021 of which \$0.5 million consisted of salaries, share-based compensation, and consulting and professional fees.

Care and maintenance expenses for the three months ended March 31, 2021 totaled \$1.0 million for the Beaufor mine and Beacon mill sites. The Company is currently carrying out maintenance work on its equipment and infrastructure. Analysis are underway regarding a possible restart of operations.

Exploration expenses amounted to \$1.2 million for the quarter ended March 31, 2021. As mentioned earlier, the Company has undertaken one of the largest exploration programs on the Beaufor mine with a total of approximately 270 drill holes over 42,500 metres. The expenses are mainly drilling and salaries. As at March 31, 2021, about 20,000 metres were done and 155 holes completed. The objectives are to increase the accuracy of know mineralized zones and confirming continuity of environments favorable to mineralization. Following the continuation of the program, Monarch will soon develop an exploration drift strategically positioned to allow exploration of the main deposit of the Beaufor mine at depth. This same exploration gallery will also make it possible to define the main deposit, in the event of a possible restart of mining activities, and to optimize the footage to be drilled.

Given the favorable results of the first surface drilling campaign carried out in 2020, Monarch will drill additional holes from surface during 2021 in the hope of expanding the continuity of sectors.

The Company reported a net loss of \$2.8 million or \$0.05 per basic and diluted share for the three months ended March 31, 2021. This loss is mainly due to the fact that the Company is in the restart study phase. As a result, it must incur significant exploration, consulting and specialized labour costs while maintaining care and maintenance expenses for the Beaufor and Beacon properties.

REVIEW OF PRODUCTION ACTIVITIES

<i>(In dollars)</i>	THREE-MONTH PERIOD ENDED MARCH 31 2021	141 DAY PERIOD ENDED MARCH 31 2021
Exploration and evaluation expenses		
Beaufor mine	1,242,142	1,242,142
McKenzie Break	139,288	139,288
Croinor Gold	52,370	52,370
Others	6,561	6,561
Exploration and evaluation	1,440,361	1,440,361
Capitalized exploration and evaluation expenses	198,219	198,219
Exploration and evaluation expenses	1,242,142	1,242,142

Beaufor mine

Monarch holds a 100% interest in the Beaufor mine, which consists of two mining leases, one mining concession and 23 mining claims covering an area of 5.9 km². The mine is located approximately 20 kilometers northeast of the town of Val-d'Or, in the Abitibi-Est county, Province of Québec. The Beaufor mine is an underground mine.

On June 27, 2019, production activities at the Beaufor mine were temporarily suspended and the mine was placed under care and maintenance.

In 2020, Monarch Gold Corporation has undertaken one of the most important exploration programs on the Beaufor property with a total of about 270 drill holes over 42,500 metres. Exploration drilling will include several phases, including:

- Underground work in the vicinity of the mine's exploration targets (high-grade intervals and isolated resource blocks)
- Near-surface and mine targets
- Targets under the current mine bottom
- Regional exploration targets



Underground work in the vicinity of the mine's exploration targets

This initial phase represents the bulk of the exploration drilling and will focus on underground targets close to the mine, as defined by the recent 3D modeling. These holes will test zones located near historical high-grade intervals intersected in the drilling and associated with known vein structures that remain open. All of these targets are defined by high-grade intersections located in proximity to existing underground infrastructure, which requires minimal development for mining purposes. These defined targets are all located above the lowest level of mine development, at less than 900 metres in depth. Testing of these targets can easily be carried out from the available underground developments, with the majority of drill holes being less than 200 metres in length.

The second type of targets related to underground targets in the vicinity of the mine will be the follow-up of isolated resource blocks that still have significant expansion potential. These resource blocks are generally defined by a single hole along a known mineralized structure, but continuity has not been demonstrated due to a lack of nearby drilling.

Near surface and mine targets

A surface drilling program in the vicinity of the mine will follow to test both high-grade targets and isolated resource blocks that cannot be adequately tested from the existing underground infrastructure. These targets are located in the vicinity of the mine and at a maximum depth of 300 metres from surface.

Targets under the current mine bottom

An exploration drilling program to test the zone below the current bottom of the mine (over 900 metres deep) will be undertaken to continue testing the extension of known mineralization at depth, where mining operations prior to the temporary shutdown had ceased. Recent widely-spaced drilling below the bottom of the mine has confirmed the extension of the mineralization. Drilling will target specific zones defined by previous high-grade intersections in an area up to 230 metres below the current workings.

Regional exploration targets

The final phase of exploration drilling will consist of surface drilling to test regional targets defined by historical intersections and potential structures beyond the current limits of underground infrastructure.

McKenzie Break

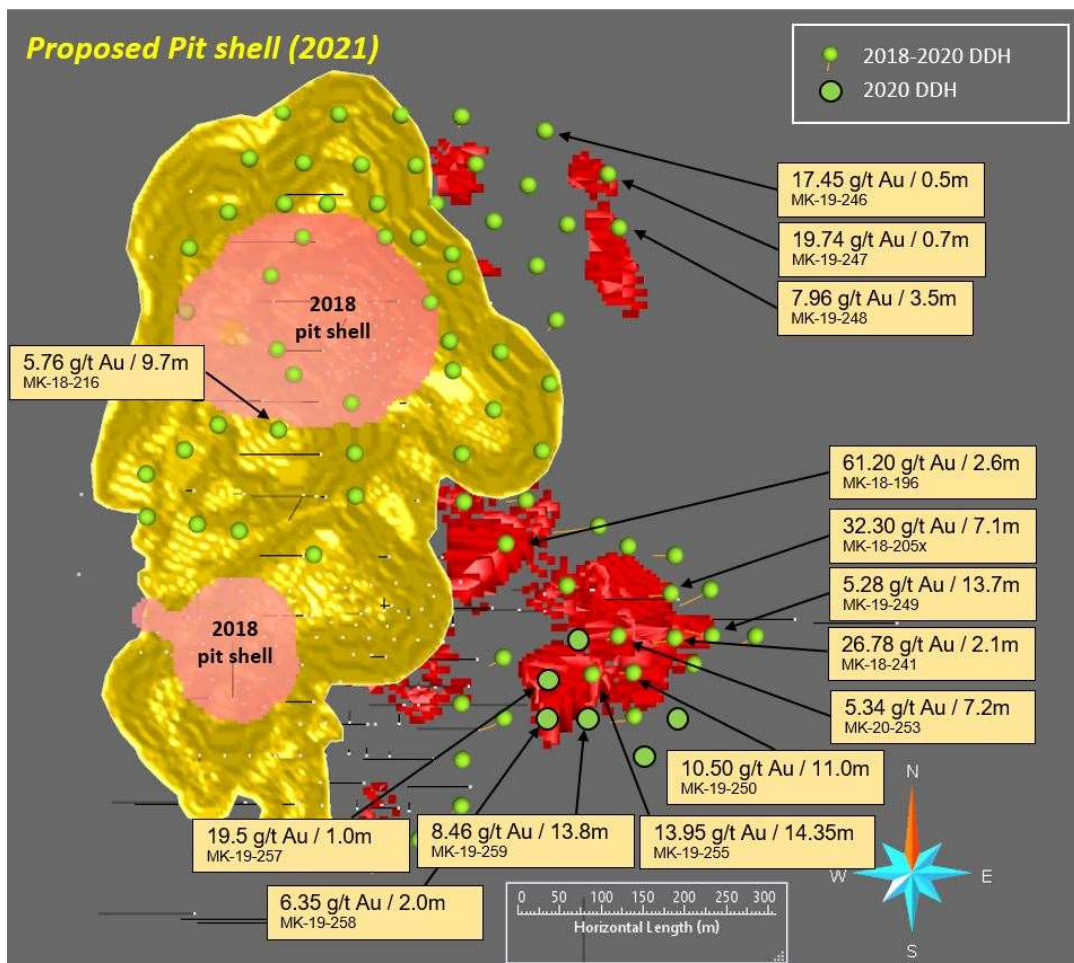
The Company continued the exploration activities of Monarch Gold Corporation, which acquired the original 386.6-hectare McKenzie Break property from Agnico Eagle Mines Limited in 2017 and expanded the property in 2020 through additional acquisition agreements with local prospectors and through map staking. The staking completed by the Company in February 2021 expands the property to 169 claims covering 7,070 hectares (70.7 km²). Located 20 kilometers north of the Beacon mill and 10 kilometers south of the municipality of Barraute, Quebec, the property is accessible year-round by Highway 397 and a gravel road and includes a 700-metre gate and ramp built in 2009.

McKenzie Break is a high-grade, narrow, multi-vessel, narrow-grained gold deposit hosted in the Pascalis dioritic batholith and covered with porphyry diorite and mafic and felsic volcanic rocks.

Since the acquisition of the property, the Company has carried out several drilling programs. The table and figure below present the best drilling results obtained from these campaigns:

Survey	Lengh (m)	From (m)	To (m)	Width (m)	Grade (g/t Au)
Sondage	Longueur (m)	De (m)	À (m)	Largeur (m)	Teneur (g/t Au)
MK-18-205Ext	426	356,5	363,6	7,1	32,30
MK-20-255	392	300,65	315,0	14,35	13,95
MK-18-196	300	254,8	257,4	2,6	61,20
MK-19-250	426	329,0	340,0	11,0	10,50
MK-19-249	432	379,5	393,2	13,7	5,28
MK-19-241	432	363,0	365,1	2,1	26,78
MK-18-216	177	133,3	143,0	9,7	5,76
MK-20-255	392	379,0	381,0	2,0	27,15
MK-19-251	414	334,0	340,0	6,0	7,04
MK-20-253	429	351,8	359,0	7,2	5,34

In early 2021, the Company began a 14,500 meters drilling program to follow up on the excellent results obtained to date:



Croinor Gold

On January 19, 2018, the Monarch Gold Corporation announced the positive results of the pre-feasibility study prepared by Innovexpro Inc. The results of the pre-feasibility study show that the Croinor project is economically viable and could become a low-cost mine. The study is also used as a basis for making a production decision since all the permits are currently held by Innovexpro Inc.

Feasibility Study Highlights:

- High return: pre-tax internal rate of return of 47.56%, net present value of \$32 million.
- Low cost of production: cash cost of production of \$818/ounce (US\$639/ounce) and overall cost of production of \$1,155/ounce (US\$902/ounce).
- Based on a gold price of US\$1,280 and a rate of 1.28 CAD/USD.
- The study does not include drilling after November 2015.

The technical report summarizing the results of the pre-feasibility study is available on the Monarch website.

It is also important to mention that the results of the 2018 drilling program totalling 26,580 metres are not part of the pre-feasibility study and could considerably improve the project's potential.

In 2021, the Company has undertaken a 6,200-metre drilling campaign on Croinor Gold. This exploration phase is mainly focused on exploration drilling to test high potential targets on the 151 km² property. The Company will also analyze different mining options in order to optimize the potential production yield of the deposit.

Swanson

On January 22, 2021, the Company reported an NI 43-101 pit-constrained resource of 105,400 ounces in the indicated category on the property, as well as an underground resource of 8,400 ounces in the indicated category, for a total of 113,800 ounces of gold. An analysis of the economic potential of the deposit will have to be carried out in the context of the current gold price.

FINANCIAL POSITION

<i>(In dollars)</i>	AS AT MARCH 31, 2021	EXPLANATIONS OF VARIATIONS
Current assets	21,012,610	The current assets are mainly attributable to funds from a business combination under common control and share issuance partly offset by share issuance expenses.
Non-current assets	40,199,249	Non-current assets are mainly attributable to asset transfers from a business combination under common control.
Total assets	61,211,859	
Current liabilities	1,844,090	Current liabilities consist mainly of accounts payable from exploration and care and maintenance activities.
Non-current liabilities	12,906,332	Non-current liabilities are mainly attributable to liabilities transfers from business combination under control with the addition of flow-through share liabilities related to financing realized in March 2021.
Total liabilities	14,750,422	
Shareholders' equity	46,461,437	Shareholders' equity increased mainly due to the shares issued during the quarter as part of the financing.

LIQUIDITY AND SOURCES OF FINANCING

The Company's strategy is based on achieving positive cash flows from operations to internally fund operating, capital and project development requirements. It expects to be in a position to implement this strategy as soon as production resumes at the Beaufor. Material increases or decreases in the Company's liquidity and capital resources will be substantially determined by the success or failure of the Company's operations, exploration, and development programs, the ability to obtain equity or other sources of financing.

As at March 31, 2021, the Company had \$19 million in cash and cash equivalents. Of this amount, \$4.9 million is reserved for exploration and evaluation expenditures.

Financing sources

Funding sources since November 11, 2020 and as of the date of this report are listed in the following table:

DATE	TYPE	SECURITIES	AMOUNT (\$)	USE OF FUNDS
March 4, 2021	Non-brokered private placement	Flow-through shares	5,071,221	Exploration work on the properties held by the Company. The funds were partially used.
January 21, 2021	Net funds from the spin-off transaction with Yamana	Common shares	14,000,000	The funds will be used primarily for working capital and project advancement.

CASH FLOWS

(In dollars)	THREE-MONTH PERIOD ENDED MARCH 31 2021	141 DAY PERIOD ENDED MARCH 31 2021
Net cash position from		
Operating activities	(1,631,549)	(1,631,549)
Financing activities	4,536,743	4,536,744
Investing activities	16,108,429	16,108,429
Increase in cash and cash equivalents	19,013,623	19,013,624
Cash and cash equivalents, beginning of period	1	—
Cash and cash equivalents, end of period	19,013,624	19,013,624

Operating activities

During the quarter ended March 31, 2021, cash flow from operating activities used \$1.6 million mainly due to exploration expenses at the Beaufor mine, administrative expenses and care and maintenance expenses incurred partially offset by a favourable variation in working capital.

Financing activities

For the three-month period ended March 31, 2021, cash flows from financing activities generated \$4.5 million mainly from equity financing completed during the quarter.

Investing activities

Cash flows from investing activities amounted to \$16.1 million, including \$14.3 million from a business combination under common control partially offset by \$0.1 million in exploration and evaluation expenses.

OUTSTANDING SHARE CAPITAL

The following table sets forth the number of common shares, restricted shares units, share purchase options, warrants and broker warrants of the Company outstanding as of the date of this MD&A:

	AS AT MAY 11, 2021
Common shares issued	69,691,509
Restricted shares units	1,235,500
Share purchase options (average exercise price: \$1.00)	2,049,000
Warrants (average exercise price: \$0.052)	11,160,837
Broker warrants (average exercise price: \$1.38)	207,059
Indenture warrants of Monarques Gold Corporation	10,042,000

RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2021, the Company incurred the following expenses with members of the Board of Directors and key officers of the Company. These transactions are entered into in the normal course of business and are measured at their exchange amount, which is the amount of consideration agreed to by the parties to the agreements.

	THREE-MONTH AND 141 DAY PERIODS ENDED MARCH 31 2021
<i>(In dollars)</i>	
Wages, directors' fees and fringe benefits	135,706
Defined contribution plan	6,215
Government plans	20,825
Share-based compensation	64,313
	227,059

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OFF-BALANCE SHEET AGREEMENTS

The Company does not have any off-balance sheet agreements.

COMMITMENTS AND CONTINGENCIES

The Company had the following commitments as at March 31, 2021:

A) Royalties

Properties	Net smelters return (NSR) royalties
Beaufor	<ul style="list-style-type: none"> ➤ 1.0% payable after the Company has produced 100,000 ounces of gold ➤ 3.0% (1% reduction when royalties paid are greater than \$5M and 1% redeemable for \$2.5M until May 2025) ➤ Others
Croinor Gold	➤ 1.5%
McKenzie Break	➤ 1.5% (0.5 % redeemable for \$750,000)
Swanson	➤ 4.5% (0.5% redeemable for \$750,000 and 1% redeemable for US \$1M)

B) Flow-through shares

During the quarter ended March 31, 2021, the Company is committed to disbursing, prior to certain dates, amounts in eligible exploration and evaluation expenses, in accordance with the *Income Tax Act (Canada)* and the *Québec Taxation Act*, and to transfer these tax deductions to the subscribers of the completed flow-through share investments of each of the financings. In connection with these commitments, the table below provides important details:

DATE OF THE FINANCING	AMOUNT OF FINANCING	DEADLINE FOR DISBURSEMENTS	RESERVED FUNDS AS AT MARCH 31, 2021	LIABILITIES RELATED TO FLOW-TROUGH SHARES AS AT
				MARS 31, 2021
	\$		\$	\$
March 4, 2021	5,081,721	December 31, 2022	4,936,604	1,714,853
			4,936,604	1,714,853

SIGNIFICANT ACCOUNTING POLICIES

The Company has adopted new accounting policies which are described in note 3 of the unaudited condensed interim consolidated financial statements for the three-month and 141 day periods ended March 31, 2021.

SIGNIFICANT JUDGMENTS AND ESTIMATES

Full disclosure and a description of the Company's significant judgments and estimates are detailed in the unaudited condensed interim consolidated financial statements for the three months and 141 day periods ended March 31, 2021.

FINANCIAL INSTRUMENTS

Full disclosure and a description of the Company's financial instruments, financial risk management and capital management can be found in the unaudited interim consolidated financial statements for the three months and 141 day periods ended March 31, 2021.

RISK FACTORS

The risk factors are detailed in Monarch Gold Corporation's information circular of November 30, 2020 in Appendix F, which is the circular describing the transaction between Monarch Gold Corporation and Yamana and thus the creation of Monarch Mining Corporation.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

As a publicly traded entity, management must take steps to ensure that material information relating to reports filed or submitted under securities laws presents financial information fairly. This responsibility is the responsibility of management, including the President and Chief Executive Officer and the Chief Financial Officer. Management is responsible for establishing, maintaining and evaluating the design of disclosure controls and procedures and internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining a system of disclosure controls and procedures designed to provide reasonable assurance that material information relating to the Company and its subsidiaries is obtained and communicated to senior management and that such information is made known to the Company's management.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining internal controls over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

During the period from January 21, 2021 to March 31, 2021, no changes were made to the Company's internal control over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

In designing disclosure controls and procedures and internal control over financial reporting, the Company recognizes that, regardless of how such controls are designed and performed, they can provide only reasonable and non-absolute assurance that the objectives expected of the system of controls are being achieved.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MD&A was prepared as at the date shown in the header of this document. Additional information relating to the Company, including the technical reports mentioned herein can be found on the SEDAR website www.sedar.com and on our website at www.monarchmining.com.

GENERAL INFORMATION

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EMAIL

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WEBSITE

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STOCK EXCHANGE

Toronto Stock Exchange (TSX)
Symbol (shares): GBAR
OTC Markets
Symbol (shares): GBARF

EXECUTIVE MANAGEMENT

Jean-Marc Lacoste
President and CEO

Alain Lévesque CPA, CA
Chief Financial Officer and Vice-President Finance

Mathieu Séguin
Vice President, Corporate Development

BOARD OF DIRECTORS

Michel Bouchard, Chairman of the Board*
Jean-Marc Lacoste, Director
Guylaine Daigle, Director*, **
Christian Pichette, Director*, **
Laurie Gaborit, Director**
**Member of the audit committee*
***Member of the Compensation Committee*

LEGAL COUNSEL

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TRANSFER AGENT

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