



DISCLOSURE AND CONFIDENTIALITY POLICY

For directors, officers, employees and contractors of

MONARCH MINING CORPORATION
and its subsidiaries

May 11, 2021

Policy of Monarch Mining Corporation and its subsidiaries, adopted by the Board of Directors of Monarch Mining Corporation:

Disclosure and Confidentiality Policy

Historical evolution of the Policy:

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| Adopted on: | May 11, 2021 |
| In force on: | May 11, 2021 |
| Modified on: | |

The use of the masculine gender in referring to individuals in this document is intended to lighten the text only and refers to both women and men. Unless the context in which a word is used clearly indicates the opposite, words written in the singular also include the plural and vice versa.

DISCLOSURE AND CONFIDENTIALITY POLICY

1. PURPOSE

Monarch Mining Corporation (“**Monarch Mining**” or the “**Corporation**”) has established this Disclosure and Confidentiality Policy (the “**Policy**”) to ensure that the Corporation and all persons to whom this Policy applies (a) meet their obligations under the provisions of applicable securities laws and regulations and the rules of the Toronto Stock Exchange (“**TSX**”) (the “**Rules and Regulations**”) by establishing a process for the timely disclosure of all Material Information (as defined below) and (b) understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined below).

2. DEFINITIONS

“**Authorized Spokespersons**” means those persons who have been authorized to speak on behalf of the Corporation as set out below;

“**Board**” means the Board of Directors of the Corporation;

“**Code of Conduct**” means the Code of Ethics and Business Conduct of the Corporation;

“**Core Documents**” means prospectuses, take-over bid circulars, issuer bid circulars, directors' circulars, rights offering circulars, management's discussion and analysis, annual information forms, information circulars, annual financial statements and interim financial statements;

“**CEO**” means the chief executive officer of the Corporation;

“**CFO**” means the chief financial officer of the Corporation;

“**Contractor**” means a third party (who is not an employee) engaged by the Corporation;

“**Directors**” means any and all members of the Board;

“**Disclosures**” means any Document or Oral Statement but does not include written disclosure that is made available to the public only by reason of having been filed with a government or agency of government pursuant to a requirement of law other than securities legislation;

“**Disclosure Committee**” means the Corporation’s disclosure committee responsible for the implementation and monitoring of this Policy;

“**Disclosure Controls and Procedures**” means controls and procedures that are designed to ensure that information required to be disclosed by the Corporation is recorded, processed, summarized and reported within the specified time periods;

“**Document**” means any written communication, including a communication prepared and transmitted in electronic form: (a) that is required to be filed with a securities regulatory authority in Canada on SEDAR (including Core Documents); or (b) that is not required to be filed with a government or an agency of a government under applicable law or with any stock exchange or similar institution under its by-laws, rules or

regulations, the content of which would reasonably be expected to affect the market price or value of the securities of the Corporation;

“Forward-Looking Information” means forward-looking information and forward-looking statements regarding possible events, conditions or results (including future-oriented financial information with respect to prospective results of operations, a prospective financial position or prospective changes in financial position that is based on assumptions about future economic conditions and courses of action) that is presented as either a forecast or a projection;

“Generally Disclosed” means disseminated to the public by way of a news release together with the passage of a reasonable amount of time (48 hours, unless otherwise advised by the Disclosure Committee that the period is longer or shorter, depending on the circumstances) for the public to analyze the information;

“IIROC” means the Investment Industry Regulatory Organization of Canada;

“Material Information” consists of both “material facts” and “material changes”. A **“material fact”** means a fact that significantly affects or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Corporation. A **“material change”** means a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation and includes a decision to implement such a change if such a decision is made by the Board or by senior management of the Corporation who believe that confirmation of the decision by the Board is probable. Schedule "A" attached hereto, while not intended to be complete or comprehensive, lists examples of Material Information;

“Misrepresentation” means (a) an untrue statement of a material fact or (b) an omission to state a material fact that is (i) required to be stated or (ii) necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made;

“Oral Statements” means any oral statement made by a person with actual, implied or apparent authority to speak on behalf of the Corporation in circumstances in which a reasonable person would believe that information contained in the statement will become Generally Disclosed. Examples include speeches, presentations, news conferences, interviews and discussions with analysts where the Corporation’s business and affairs, prospects or financial condition is discussed;

“SEDAR” means the system for electronic document analysis and retrieval;

“Selective Disclosure” means the selective disclosure of Undisclosed Material Information; and

“Undisclosed Material Information” is Material Information about the Corporation that has not been Generally Disclosed.

3. APPLICATION

This Policy applies to all Directors, officers, employees and Contractors of the Corporation and its subsidiaries and covers all Disclosures.

4. DISCLOSURE COMMITTEE

The Disclosure Committee is responsible for (a) determining whether information is Material Information; (b) ensuring the timely disclosure of Material Information in accordance with the Rules and Regulations; and (c) overseeing the design and implementation of, and monitoring compliance with, this Policy and the Disclosure Controls and Procedures.

It is important that the Disclosure Committee be informed promptly about events and developments that may be material. Any person to whom this Policy applies who becomes aware of information that may constitute Material Information shall promptly contact the CEO or CFO who will, in turn, liaise with other members of the Disclosure Committee.

A list of current members of the Disclosure Committee and their contact information is set out in Schedule “B” of this Policy.

5. AUTHORIZED SPOKESPERSONS

Unless otherwise authorized by the Disclosure Committee, only members of the Disclosure Committee and the Chairman of the Board are authorized to make Disclosures on behalf of the Corporation.

Any person to whom this Policy applies, other than an Authorized Spokesperson, who is approached by the media, an analyst, investor or any other member of the public to comment on the affairs of the Corporation, must defer the enquiry to an Authorized Spokesperson.

6. DEALING WITH REGULATORS

The Disclosure Committee will designate those of its members as being responsible for receiving inquiries from IIROC with respect to unusual trading activity or market rumours. If required by the Rules and Regulations, a member of the Disclosure Committee or a person designated thereby will be responsible for contacting IIROC in advance of the release of Material Information to seek approval of the news release, to watch for unusual trading and to determine when a halt is required.

7. DETERMINING “MATERIALITY”

The Disclosure Committee, and where appropriate, in consultation with the Board or others, shall determine what is deemed to be Material Information and prepare the appropriate Disclosures. In making materiality judgments, the Disclosure Committee and, as the case may be, the Board will take into account a number of factors that cannot be captured in a simple or well-defined standard test. These include the nature of the information itself, the volatility of the Corporation’s securities and prevailing market conditions.

The Disclosure Committee and the Board will also take into account the impact of the event, development or change in question on its assets, liabilities and earnings and overall operations as well as its reputation and strategic direction.

8. DISCLOSURE CONTROLS AND PROCEDURES

The following Disclosure Controls and Procedures of the Corporation have been designed to ensure that information required to be disclosed by the Corporation is accurately recorded, processed and summarized and then reported on a timely basis.

Core Documents

Core Documents must be reviewed by the Disclosure Committee and then submitted to the Board for approval. Core Documents must then be filed on SEDAR and, if determined to be appropriate by the Disclosure Committee, posted on the Corporation's website.

News Releases

All news releases must be reviewed and approved by the CEO and at least one other member of the Disclosure Committee. All news releases containing financial Material Information must be reviewed and approved by the CFO.

When required by the Rules and Regulations, news releases disclosing Material Information will be transmitted to the stock exchanges on which the Corporation's securities may be listed, to relevant regulatory bodies (as required) and news wire services that disseminate financial news to the financial press in the Province of Québec. News releases must be precleared with the TSX and IIROC, as applicable.

Website

The Vice President, Corporate Development of the Corporation is responsible for the oversight and review of the Corporation's website on a regular basis to ensure that it is accurate, complete, up-to-date and in compliance with legal and regulatory requirements.

The following must be included on the website:

- a. a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent Disclosures;
- b. all news releases or a link to those news releases;
- c. quarterly and annual financial statements filed on SEDAR;
- d. the most recent information that is not Material Information that is given to analysts, institutional investors and other market professionals (such as fact sheets, slides of investor presentations, materials distributed at analyst and industry conferences); and
- e. an e-mail link to a contact for the Corporation to facilitate communication with investors.

Information that is discovered to have contained a Misstatement, must be promptly removed from the website and a correction posted.

Conference Calls

If the Corporation holds a conference call for quarterly or annual earnings releases or a major corporate development, such conference shall be held as soon as practicable after they are publicly announced.

Conference calls will be accessible simultaneously to all interested parties by telephone or by Internet webcast through the Corporation's website and will be preceded with a news release containing all relevant Material Information.

The Corporation will provide advance notice of a conference call or webcast by issuing a news release setting out the date and time and access information for the call and webcast. An audio recording of the conference call and/or an archived webcast will be made available on the Corporation's website for a minimum of 30 days following the conference call or webcast.

Social Media, Internet Chat Rooms and Bulletin Boards

Any person to whom this Policy applies must comply with the Code of Conduct when using social media or other social networks, for personal or business use. Certain individuals are authorized to communicate on behalf of the Corporation with the public using the internet and on social media platforms in accordance with the Code of Conduct and this Policy. No other person to whom this Policy applies shall participate in, host or link to chat rooms, blogs, social media sites or bulletin boards with respect to information about Monarch Mining.

External Speeches and Presentations

Invitations to give external speeches or presentations about Monarch Mining at conferences or other public venues at which shareholders, the investment community or media may be present, or which are expected to become available to any of the foregoing, must be pre-approved by an Authorized Spokesperson and the content of any such speeches and presentations must be reviewed and approved by at least one member of the Disclosure Committee.

Rumours

The Corporation does not comment, affirmatively or negatively, on rumours (including rumors on the Internet in social media).

Authorized Spokespersons will respond consistently to rumours, by saying "It is our policy not to comment on market rumours or speculation."

Exceptions to this Policy may be made (i) if the Disclosure Committee or the CEO authorize a response to a rumour that is deemed harmful to the Corporation's interests if not rebutted, or (ii) if the TSX or any other stock exchange on which the Corporation's securities may be listed, or a securities regulatory authority, requests that the Corporation make a statement in response to a market rumour.

If any Director, officer or employee of the Corporation becomes aware of a rumour concerning the Corporation on a chat room, news group, or any other source that may have a material impact on the price of the Corporation's stock, he or she should immediately contact a member of the Disclosure Committee.

9. TRADING RESTRICTIONS AND BLACKOUT PERIODS

It is illegal for anyone with knowledge of Undisclosed Material Information to trade in securities of the Corporation. Except in the necessary course of business, it is also illegal for anyone to inform any other person of Undisclosed Material Information about the Corporation. Questions regarding the application of this Policy in any particular circumstance should be directed to the CFO. Reference should also be made to the Corporation's Securities Trading Policy.

10. CONFIDENTIALITY OF UNDISCLOSED MATERIAL INFORMATION

Any person to whom this Policy applies and who has knowledge of Undisclosed Material Information must treat the Material Information as confidential until the Material Information has been Generally Disclosed.

Undisclosed Material Information shall not be disclosed to anyone except in the “necessary course of business” and as required by the Rules and Regulations. Schedule “C” lists circumstances where securities regulators believe disclosure may be necessary in the course of business.

If Undisclosed Material Information has been disclosed in the “*necessary course of business*”, anyone so informed must clearly understand that it is to be kept confidential, and, in appropriate circumstances, execute a confidentiality agreement. When in doubt, all persons to whom this Policy applies must consult with a member of the Disclosure Committee to determine whether disclosure in a particular circumstance is in the “necessary course of business”. For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other media will not generally be considered to be in the “*necessary course of business*”.

In order to prevent the misuse or inadvertent disclosure of Undisclosed Material Information, the procedures set forth below should be observed at all times:

- a. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who “need to know” that information in the “*necessary course of business*” and code names should be used if necessary.
- b. Confidential matters should not be discussed in places where the discussion may be overheard.
- c. Transmission of documents containing Undisclosed Material Information by electronic means will be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- d. Unnecessary copying of documents containing Undisclosed Material Information should be avoided and extra copies of documents must be promptly removed from meeting rooms and work areas at the conclusion of the meeting and must be securely destroyed if no longer required.

11. AVOIDING SELECTIVE DISCLOSURE

Selective Disclosure must not be made.

When participating in shareholder meetings, press conferences, analysts' conferences and private meetings with analysts, Authorized Spokespersons must only present and discuss information that either (i) is not Material Information or (ii) is Material Information but has previously been Generally Disclosed.

12. INADVERTANT DISCLOSURE

If there is reason to believe that an unintentional breach of this Policy might have occurred resulting in the release of Material Information to a select group or individual, such breach shall immediately be reported to a member of the Disclosure Committee and the Corporation shall make immediate public disclosure of that information as soon as is reasonably possible.

13. FORWARD-LOOKING INFORMATION

The Corporation may be required or may choose to disclose Forward-Looking Information from time to time in order to provide the public with a view of possible events, conditions and results of operations. This disclosure will be made in compliance with the Rules and Regulations and best practices including the guidelines set out in this Policy.

There must be a reasonable basis for disclosing the Forward-Looking Information, having regard to the assumptions underlying the Forward-Looking Information and the process followed in preparing it.

Forward-Looking Information that constitutes Material Information must be Generally Disclosed.

The disclosure of Forward-Looking Information should be accompanied by appropriate cautionary language that identifies any material risk factors or uncertainties that could cause actual results to differ materially and a description of any material assumptions on which the Forward-Looking Information is based.

If Forward-Looking Information is Generally Disclosed:

- a. the Forward-Looking Information must be clearly stated to be forward-looking in nature and must be identified by words such as “expect”, “anticipate” or “may”;
- b. the Corporation must caution users of Forward-Looking Information that actual results may vary from the Forward-Looking Information and identify material risk factors that could cause actual results to differ materially from the Forward-Looking Information;
- c. the Corporation must state the material factors or assumptions used to develop Forward-Looking Information; and
- d. the disclosure accompanying Forward-Looking Information must describe the Corporation's policy for updating Forward-Looking Information.

14. ANALYSTS REPORTS

Monarch Mining aims to ensure, through its disclosure that analysts' estimates are in line with the Corporation's expectations. If the Corporation has determined that it will be reporting results materially below or above publicly held expectations, it may decide to disclose this information in a news release to enable discussion without risk of selective disclosure.

It is the Corporation's policy to review, upon request, analysts' draft research reports or models. When reviewing analysts' reports or models, Authorized Spokespersons must limit their comments to identifying factual information that has been Generally Disclosed that may affect an analyst's report or model and to pointing out inaccuracies or omissions with respect to factual information that has been Generally Disclosed.

All comments must contain a disclaimer that the report or model was reviewed for factual accuracy only. No comfort or guidance shall be expressed on the analysts' earnings models or earnings estimates and no attempt shall be made to influence an analyst's opinions or conclusions.

Analyst reports shall not be posted on or linked from the Corporation's website. However, the Corporation may post on its website a listing, regardless of the recommendation, of all the investment firms and analysts it is aware of that provide research coverage on the Corporation.

15. CONSEQUENCES OF NON-COMPLIANCE

Compliance with this Policy is fundamental to the reputation and continued success of Monarch Mining. It is the personal responsibility of all Directors, officers, employees and Contractors to understand and comply with their obligations under this Policy. Failure to observe this Policy may subject Monarch Mining personnel to disciplinary action, up to and including termination.

The violation of this Policy may also violate certain securities laws and if it appears that a person subject to this Policy may have violated such laws, then Monarch Mining may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

16. COMMUNICATION OF THE POLICY

This Policy will be posted on the Corporation's website at www.monarchmining.com.

All Directors, officers, employees and Contractors are required to provide certification that they have read, understood and will comply with this Policy.

17. QUERIES

If you have any questions about how this Policy should be followed in a particular case, please contact a member of the Disclosure Committee.

18. REVIEW

The Board, or a committee of the Board, will review and evaluate this Policy annually to determine if this Policy effectively ensures accurate and timely disclosure in accordance with its disclosure obligations.

Schedule "A" – EXAMPLES OF MATERIAL INFORMATION

Although not intended to be a comprehensive list, the following are examples of information that could be material, depending on scale and magnitude:

- a. Changes in share ownership that may affect control of the Corporation
- b. Changes in corporate structure including amalgamations, reorganizations and mergers
- c. Takeover bids or issuer bids
- d. Major corporate acquisitions or dispositions
- e. Changes in capital structure including the public or private sale of additional securities
- f. The borrowing of a significant amount of money
- g. Any development that significantly affects the Corporation's mineral resources or reserves
- h. Entering into or losing a significant contract
- i. Changes in financial results including a significant increase or decrease in near-term earnings prospects
- j. A significant change in capital investment plans or corporate objectives
- k. Changes to the Board or executive management
- l. The commencement of, or developments in, material legal proceedings
- m. A major labour dispute or dispute with a major contractor or supplier
- n. Default under debt obligations

Schedule "B" – DISCLOSURE COMMITTEE MEMBERS

Jean-Marc Lacoste, President and Chief Executive Officer

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Schedule "C"

EXAMPLES OF DISCLOSURES THAT MAY BE NECESSARY IN THE COURSE OF BUSINESS

(Excerpt from National Policy 51-201 Disclosure Standards, Part III - Overview of the Statutory Prohibitions Against Selective Disclosure, Section 3.3 - Necessary Course of Business)

The "*necessary course of business*" exception exists so as not to unduly interfere with a company's ordinary business activities. For example, the "*necessary course of business*" exception would generally cover communications with:

- a. vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
- b. employees, officers and board members;
- c. lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Corporation;
- d. parties to negotiations;
- e. labour unions and industry associations;
- f. government agencies and non-governmental regulators; and
- g. credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available).