

Monarca Minerals Signs Option Agreement to Acquire 100% Interest in San Jose Project in Mexico and Reports on Recent Surface Geophysics Results

Toronto, Ontario--(Newsfile Corp. - June 3, 2019) - **Monarca Minerals, Inc. (TSXV: MMN) ("Monarca" or the "Company")**, is pleased to announce that it has entered into an Option Agreement to acquire a 100% interest in the 5,580-hectare San Jose Project (the "Project") located in Chihuahua, northern Mexico. The Option Agreement is an arm's length transaction. The decision was made to acquire this skarn and potential CRD/porphyry deposit after a surface geophysics program comprised of induced polarization (IP), resistivity, and magnetics survey completed in July and August 2018, discovered very strong IP/magnetic anomalies over a 2.8 km strike length resulting in numerous drill targets. Based on these promising geophysical results and previous chip sampling on the property that resulted in significant gold, silver, copper, zinc and lead results, the Company is currently planning an 18-hole reverse circulation (RC) drilling program to test the strong IP and magnetics anomalies for potential precious and base metals at depth.

The San Jose Option Agreement

In order to acquire a 100% interest in the San Jose Project, Monarca will pay a total of USD\$150,000 to the mining concession owners (the "Owners") and the Agreement includes a 2% Net Smelter Return (NSR) royalty upon reaching commercial production. The Company has the right to purchase one percentage point (1%) of the royalty through a single payment of USD\$100,000 made to the Owners after the first year of commercial production.

SCHEDULE OF PAYMENTS

Due Dates	Cash Payments (US Dollars)
Paid to date	\$40,000
12 months after signing of Option Agreement	50,000
24 months after signing of Option Agreement	\$60,000
TOTAL	\$150,000

Monarca's President and CEO, Carlos Espinosa, stated: *"We are very excited about the San Jose Project. The work on the project to date indicates that it has significant potential and we were able to obtain the right to acquire 100% of the project on terms that are very favourable for Monarca. This project could mark the new era of Monarca Minerals."*

San Jose Technical Summary and 2018 Geophysics Program

The San Jose Property is comprised of three mining concessions (5,580 hectares in size) located in Chihuahua, Mexico near the USA border, approximately 125 km west of El Paso, Texas (Juarez, Chihuahua, Mexico). The Property is also located 52 km northwest of the underground Bismark Mine operated by Grupo Peñoles. The Bismark Mine commenced production of silver, lead, zinc and copper in 1992 and mining has continued at a 2,500 tpd production rate. The Bismark Mine is regarded as a comparative exploration model for the San Jose Property, and mineralization at the Bismark Mine is not indicative of any mineralization that may be hosted on the San Jose Property.

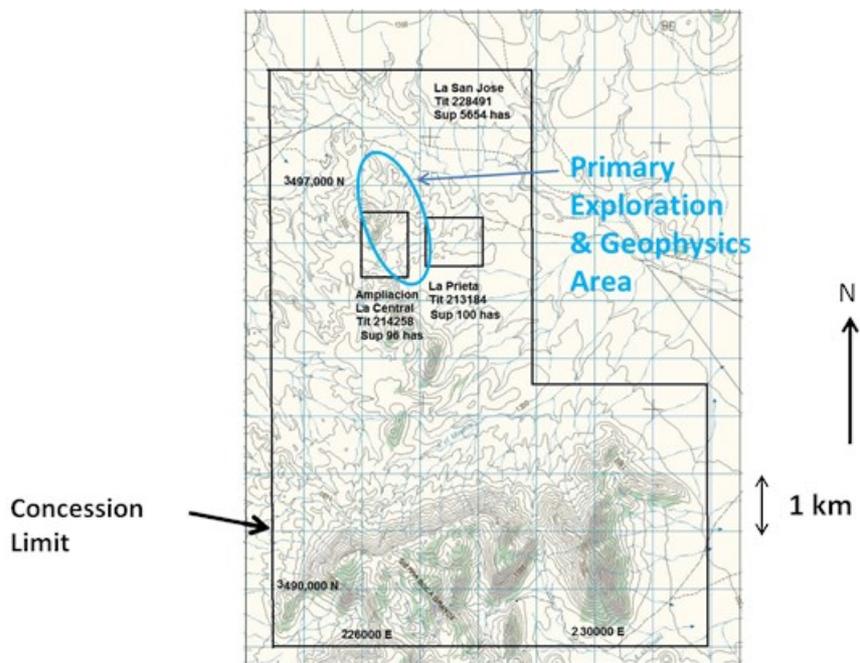
Location Map for the San Jose Property, Mexico



To view an enhanced version of this map, please visit:

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Mining Concession Map



To view an enhanced version of this map, please visit:

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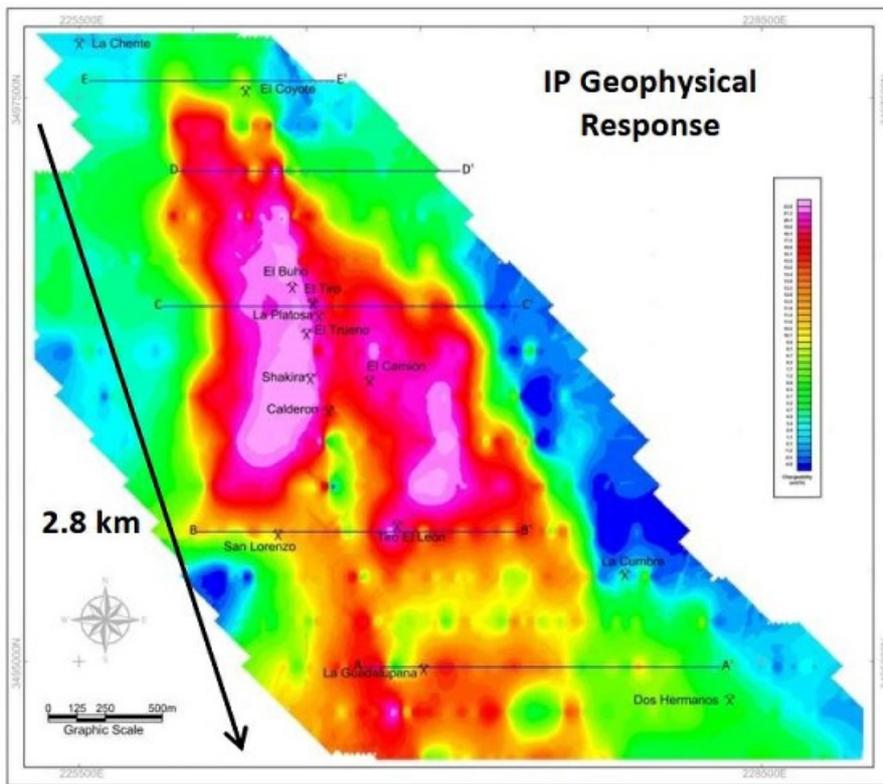
The San Jose property has the potential to host significant polymetallic mineralization associated with skarn, gossan and altered intrusive rocks based, on previous field mapping and geophysics. The Company completed a surface geophysics program (IP-Resistivity and magnetic survey) in July and August 2018 in order to test several anomalies discovered during a previous chip sampling program, and to help determine the likelihood of significant mineralization at depth. The results of the 2018 surface geophysics and field programs, and technical background on the San Jose Property are discussed below:

- **Accessibility and Terrain:** Road access and local infrastructure in the area is good, and the agricultural settlement of Guadalupe Victoria is located 15 km to the east. The property is dominantly rolling hill country with no steep mountainous terrain.
- **Geology and Mineralization:** Intrusive rocks on the property include 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, exoskarn, disseminated pyrite and specularite/magnetite. Exoskarn mineralization is grossularite ± diopside, locally with hydrous retrograde silica + clay and overprinting quartz veins and silicification.

During a 2018 field mapping program on the property, 167 chip samples were collected across the true width of observed mineralization within skarns, intrusives, veins, jasperoids, and altered limestone rocks. The chip samples returned gold (Au) assay values from 0.005ppm to 9.5ppm, silver (Ag) assay values from <0.5ppm to 257ppm, copper (Cu) assay values from 2ppm to 7.1%, lead (Pb) assay values from <2ppm to 9.8%, and zinc (Zn) assay values from 7ppm to 2.0%. The chip sampling program was supervised by Michael R. Smith, the Qualified Person (QP) for Monarca to ensure dependability of the samples. The chip samples are considered representative of the mineralization on the property and the assay results have been verified by the QP (see QAQC Statement below for further details).

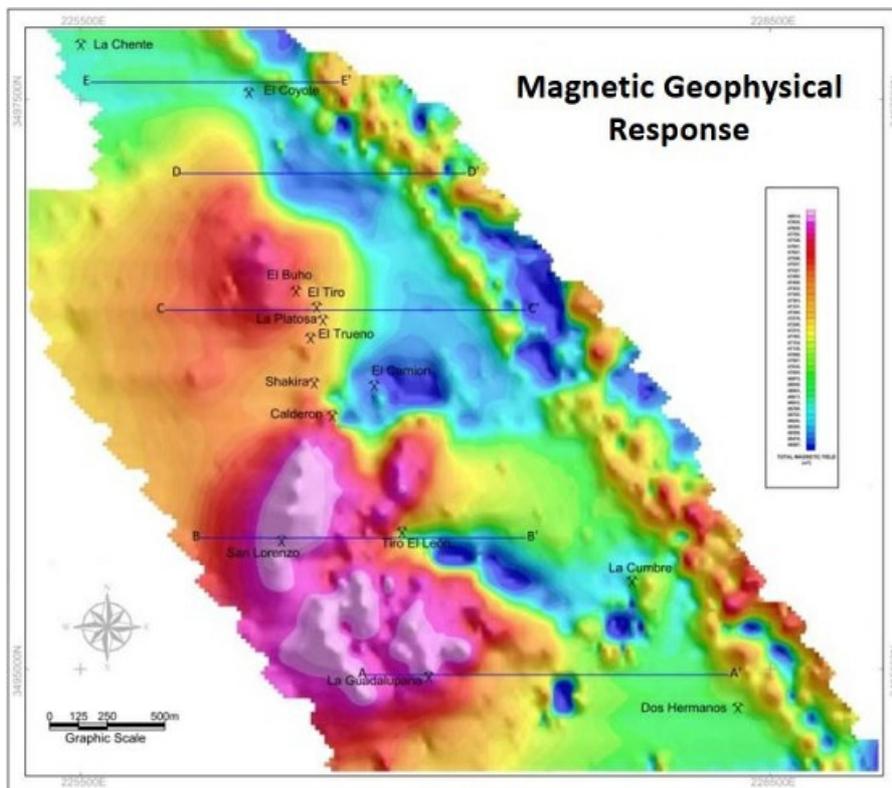
- **Deposit Types:** The San Jose Property is being interpreted as a skarn and potential CRD/porphyry deposit based on significant precious and base metal grades returned at surface from chip samples collected over 820 hectares of the property.
- **Community Relations:** The Company has very good relations with the local Ejido and Community who own the surface rights.
- **Historical Mining:** 14+ short shafts and pits exist on the property with a small amount of mining production dating back to 1975 (Au reported to be 1-5ppm, Ag 50-1000 ppm and 5-8% Pb).
- **2018 Surface Geophysics Results:** Geophysical interpretations reveal very strong IP responses over 2.8 km of strike length associated with very strong magnetic anomalies near diorite dikes, with a strong IP anomaly open to south. Geophysical IP penetration was to 450 m, so future drilling is planned to 500 m depths to determine lithology and mineralization. Figures and maps of the geophysical interpretations are shown below:

Red Areas Likely Indicate Sulfide Minerals at Depth



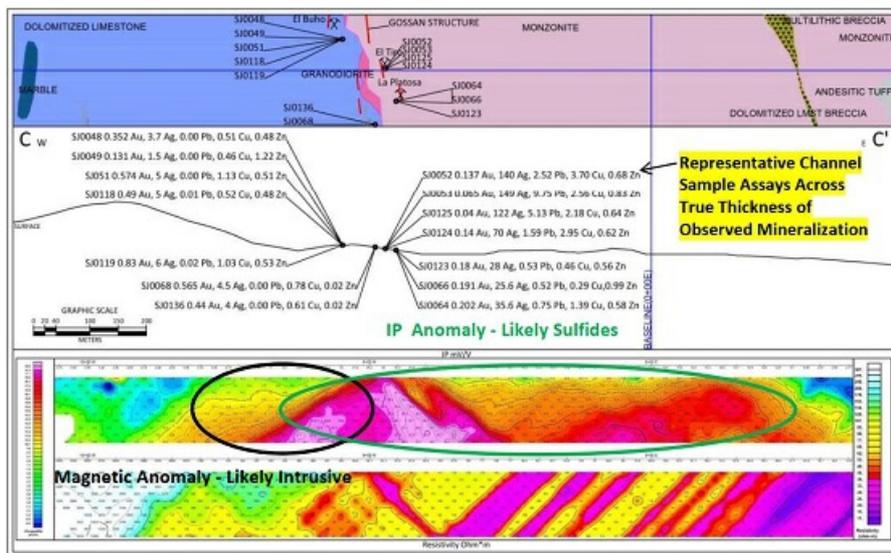
To view an enhanced version of this response, please visit:
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Red Areas Likely Indicate Mineralizing Intrusive at Depth



To view an enhanced version of this response, please visit:
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IP & Resistivity & Geology Section: North Portion of Survey Area (El Buho Mine)



To view an enhanced version of this area, please visit:
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Planned Exploration Program

The San Jose Property is considered drill-ready based on the recently discovered IP geophysical targets and surface anomalies. A Phase 1 reverse circulation (RC) drilling program is planned for 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 (refer to figures above). Eighteen holes completed at 500 metre depths (9,000 metres in total) are planned to explore for polymetallic mineralization at depth and help identify deposit types.

Quality Assurance and Quality Control Statement

Procedures were implemented by Monarca to assure Quality Assurance Quality Control (QAQC) of all assaying done at ALS Global, which is an ISO Accredited laboratory. All chip samples taken in the field were placed in plastic bags closed with zip ties and stored in a secure location until shipment by Monarca personnel to the ALS sample preparation facility in Chihuahua, Mexico. A sterile blank sample (unmineralized rhyolite) and a mineralized reference standard (used by Monarca since 2009) were alternately placed in the sample sequence every 15th sample. The assays received for the QAQC samples were reviewed for acceptable values by Monarca's Qualified Person, who determined in all cases that results were satisfactory, resulting in a high level of confidence in the assays reported for the San Jose Project. The sterile (blank) QAQC samples all reported low or nil values for the metals of interest. The mineralized reference standard samples all reported gold assays within 2 standard deviations of the accepted value (1.15ppm) and the silver assays reported within 3 standard deviations of the accepted value (83.9ppm).

Qualified Person Statement

Michael R. Smith is the Qualified Person (QP) who has reviewed and approved the scientific and technical information disclosed in this news release. Mr. Smith is a Registered Member (#04167376 - Geology) of the Society for Mining, Metallurgy & Exploration (SME) and the Executive Vice President, Exploration for Monarca Minerals Inc.

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:

Carlos Espinosa
 President, CEO & Director
 Monarca Minerals Inc.
 E: cespinosa@slgmexico.com

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.

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