Monarques becomes a gold producer with the Beaufor Mine and significantly increases its mining assets and gold resources

Monarques' new profile

- A gold producer with the Beaufor Mine (gold production of 19,562 ounces in 2016; source: Richmont 2016 annual report) located in one of the best mining jurisdictions in Canada.
- A large portfolio of mining assets, including the Beaufor Mine, two mills (Camflo and Beacon), two advanced projects (Wasamac and Croinor Gold) and six promising exploration projects covering more than 240 km^2 in the Abitibi region.
- Upside potential and leverage to the gold price with the Wasamac project.
- NI 43-101 proven and probable reserves of 162,790 ounces of gold, measured and indicated resources of 919,069 ounces an inferred resources of 2.2 million ounces (see table below).
- Over 150 highly experienced, qualified employees joining the Monarques team.
- A strong financial position, with over $12 million in cash and cash equivalents.

MONTREAL, Oct. 2, 2017 /CNW/ - Monarques Gold Corp. ("Monarques" or the "Corporation") (TSX-V: MQR) (FRANKFURT: MR7) is pleased to announce the closing of the transaction with Richmont Mines Inc. ("Richmont") (TSX - NYSE: RIC) pursuant to which Monarques acquires all of Richmont's mining assets in Québec (the "Transaction") in exchange for the issuance of 34,633,203 common shares of the Corporation to Richmont. The assets acquired consist of all of Richmont's mineral claims, mining leases and mining concessions, including the Beaufor mine, the Chimo, Monique and Wasamac properties and all the issued and outstanding shares of Usine Camflo Inc., as well as all mills, buildings, structures, equipment, inventory and property.

"We are extremely proud to have completed this transaction, which is a transformative one for Monarques," said Jean-Marc Lacoste, President and Chief Executive Officer of Monarques. "This consolidation of Monarques and Richmont assets in the Abitibi region has been part of our growth plan for nearly a year, and we are very pleased that the transaction has taken place. First and foremost, it will enable us to become a gold producer in what we consider to be one of the best mining districts in the world, and to advance our mining projects so that our Camflo and Beacon mills can one day operate at full capacity. This transaction also has the advantage of providing Monarques with a skilled workforce that has the expertise, knowledge and motivation to take us to the next stage of our development. In the coming quarters, our objective will be to optimize the productivity of the Beaufor Mine and further develop our other gold projects."

Monarques reserve and resource estimates post-transaction*

	December 31, 2016		
	Tonnes (metric)	Grade (g/t Au)	Ounces
Beaufor Mine[1]			
Proven Reserves	32,000	6.77	7,010
Probable Reserves	171,500	6.87	37,910
Total Proven & Probable Reserves	203,500	6.86	44,920
Measured Resources	53,000	6.27	10,700
Indicated Resources	300,000	7.57	73,000
Total Measured & Indicated Resources	353,000	7.37	83,700
Inferred Resources	36,000	6.44	7,500

Note: the Mineral Resources exclude the Mineral Reserves

Croinor Gold Mine[2]			
Proven Reserves	68,625	6.25	13,789
Probable Reserves	472,909	6.85	104,081
Total Proven & Probable Reserves	541,534	6.77	117,870
Measured Resources	80,100	8.44	21,700
Indicated Resources	724,500	9.20	214,300
Total Measured & Indicated Resources	804,600	9.12	236,000
Inferred Resources	160,800	7.42	38,400

Note: the Mineral Resources include the Mineral Reserves

Simkar Gold property[3]			
Measured Resources	33,570	4.71	5,079
Indicated Resources	208,470	5.66	37,905
Total Measured & Indicated Resources	242,040	5.52	42,984
Inferred Resources	98,320	6.36	20,103
Wasamac property[4]			
Measured Resources	1,923,218	2.87	177,485
Indicated Resources	4,839,237	2.44	378,900
Total Measured & Indicated Resources	6,762,455	2.56	556,385
Inferred Resources	25,686,159	2.58	2,130,532
TOTAL			
Proven & Probable Reserves			162,790
Measured & Indicated Resources			919,069
Inferred Resources			2,196,535

Note:
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of
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Mineral
Resources,
Reserve
and
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Deposit
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Included
Wasamac
Property,
November
Mine
Integrated
Reserves
December
Rouyn-Noranda,
annex
Québec,
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Canada,
Val-d'Or,
Jacques
Québec,
Gauthier,
Canada,
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Bernard
Yves
Salmon,
Salamieau,
Eng.,
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Louis
Martin
Lavigne,
Manda
M.sc.,
Mbomba,
ing.,
Daniel
B.A.Sc.,
Adam,
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geo.,
Stéphane
Lance,
ing.
and
Colin
Hardie,
P.
Eng.,
Roscoe
Postle
Associates
Inc.

The current Mineral Resource estimate on the Wasamac property is based on a technical report dated May 11, 2012, whereas the Mineral Resource estimate disclosed in the Corporation's press release dated September 11, 2017 was based on an internal estimation made by Richmont.

Related transactions

1) Closing of the $6,525,251 private placement and conversion of the 18,643,573 subscription receipts for 18,643,573 common shares of the Corporation

On September 11, 2017, the Corporation announced the conclusion of a non-brokered private placement of 18,643,573 subscription receipts (the "receipts") priced at $0.35 each for gross proceeds of $6,525,251. Following the closing of the Transaction, the receipts were exchanged for 18,643,573 common shares of the Corporation. Richmont subscribed for $2.0 million of receipts, the Fonds de solidarité FTQ subscribed for $1.0 million and Probe Metals Inc. ("Probe Metals") subscribed for

$0.6 million.

All securities issued pursuant to the private placement are subject to a hold period of four months and one day. Shares issued to Richmont through the conversion of the receipts are subject to a one-year lock-up provision. Following the closing of the Transaction and the private placement, Richmont will hold 40,348,203 common shares of Monarques or 19.9% of the issued and outstanding common shares of the Corporation.

The Fonds de solidarité FTQ is a development capital investment fund that channels the savings of Quebecers into investments. As at May 31, 2017, the organization had $13.1 billion in net assets, and through its current portfolio of investments has helped create and protect 186,440 jobs. The Fonds is a partner in more than 2,700 companies and has 645,664 shareholder-savers. Please visit fondsftq.com for more information.

2) Closing of the US $4 million credit facility with Auramet International LLC

Monarques closed the senior secured gold loan agreement with Auramet International LLC providing the Corporation with access to a US $4 million credit facility. The loan will be repaid in 12 installments of 287 ounces of gold commencing on October 31, 2017, and expiring on September 30, 2018, inclusive. The loan is guaranteed by the Corporation's subsidiaries, namely X-Ore Resources, Beacon Gold Mill Inc. and Camflo Mill Inc.

3) Closing of the Courvan property sale to Probe Metals

Finally, the Corporation closed the transaction with Probe Metals relating to the sale of Monarques' full interest in the Courvan property in consideration for a cash payment of $400,000.

Appointment of Marc-André Lavergne as Vice-President, Operations

The Corporation is pleased to announce the appointment of Marc-André Laverge, Eng., as Vice-President, Operations.

Mr. Lavergne has over 14 years of experience in mine engineering with various companies, including Cambior, Agnico Eagle and North American Palladium. In November 2011, Mr. Lavergne joined Richmont Mines as General Superintendent at the Francoeur Mine, and has held various management positions within the Corporation, including at the Francoeur and the Beaufor divisions. In December 2013, he was named Manager, Beaufor and Monique Divisions. Mr. Lavergne holds a Bachelor degree in Mining Engineering from the Polytechnique School of Montreal.

"We welcome Mr. Lavergne to his new position. Marc-André has solid mining expertise, having moved up the ranks at Richmont over the past six years, including managing the Beaufor and Monique mines. The experience he has gained over the course of his career will be a great help to us in achieving our objectives at the operational level," said Mr. Lacoste.

The technical and scientific content of this press release has been reviewed and approved by Kenneth Williamson, M.Sc., P.Geo, the Corporation's qualified person under National Instrument 43?101.

ABOUT MONARQUES GOLD CORPORATION

Monarques Gold Corp. (TSX-V: MQR) is an emerging gold producer aiming to achieve ongoing growth through its large portfolio of high-quality gold projects in the Abitibi mining camp in the province of Quebec, Canada. The Corporation currently has over 240 km² of gold properties (see map), including the Beaufor Mine; the Croinor Gold (see video) and Wasamac advanced projects; the Camflo and Beacon mills; as well as six promising exploration projects. It also offers toll milling services through its 1,200 tpd Camflo mill. Monarques Gold has over 150 qualified employees that oversee its production, development and exploration activities and benefits from a strong financial position.

Forward-Looking Statements

The forward-looking statements in this press release involve known and unknown risks, uncertainties and other factors that may cause Monarques' actual results, performance and achievements to be materially different from the results, performance or achievements expressed or implied therein. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Annex 1: Beaufor Mine Mineral Reserve and Mineral Resource Estimate

In 2016, the Mineral Reserve and Mineral Resource estimates for the Beaufor Mine were performed by the Beaufor Mine staff

under the supervision of Bernard Salmon, P.Eng. and Louis Nkoy, P.Eng., employees of Richmont Mines and qualified persons pursuant to NI 43-101. The database, factors and parameters used in the determination of the Mineral Reserves and Resources disclosed in this press release are based on the following technical report: Technical Report on the Mineral Resource and Mineral Reserve Estimate of the Beaufor Mine as of December 31, 2016, Val-d'Or, Québec, Canada, Bernard Salmon, Eng., Louis Nkoy Manda Mbomba, B.A.Sc., Eng.

The title, authors and issuer of the 43-101 report that was filed on SEDAR on March 24, 2016, are: Technical Report on the Mineral Resource and Mineral Reserve Estimate of the Beaufor Mine as of December 31, 2015, Val-d'Or, Québec, Canada, Jessy Thelland, B.Sc.,Geo, Louis Nkoy Manda Mbomba, B.A.Sc., Eng., Richmont Mines Inc.

The technical and scientific content of these technical reports has been reviewed and approved by Kenneth Williamson, M.Sc., P.Geo, the Corporation's qualified person under National Instrument 43?101.

To Monarques' knowledge, there are no new important scientific or technical information that would result in incorrect or misleading information relating to the Mineral Resource or the Mineral Reserve.

Mineral Reserve Table

Beaufor Mine	Tonnes (metric)	Grade (g/t Au)	Ounces
Proven Reserves	32,000	6.77	7,010
Probable Reserves	171,500	6.87	37,910
Total Proven & Probable Reserves	203,500	6.86	44,920

Proven Mineral Reserves

At the Beaufor Mine, Proven reserves are based on ore blocks developed from drifts or raises up to a maximum of 8 metres from these openings. The level of accuracy of the economic evaluation in the estimation of reserves is that of a feasibility study.

Probable Mineral Reserves

The Mineral Reserve estimate in the Probable category is based on an economic study in order to determine the economically mineable part of an Indicated Mineral Resource. At the Beaufor Mine, Probable Reserves extend to a maximum of 20 metres from drilling data. Dilution and mining recovery rates are included in the reserve estimation.

Mineral Reserve Parameters and Estimation Methods

- CIM definitions were followed for Mineral Reserves.
- Mineral Reserves are estimated at a variable cut-off grades ranging from 4.14 g/t Au (long hole) to 5.63 g/t Au (room-and-pillar

- Mineral Reserves are estimated using a long-term gold price of $CAD 1,500 per ounce.
- A minimum horizontal vein width of 2.40 m was used.
- A specific gravity value of 2.75 t/m3 was used.
- Stope dilution factors of 10% for long-hole and 5% for room-and-pillar were used.
- A dilution grade at 0.0 g/t was used.
- Mineral Reserve Recovery factors of:
  - 100% for long-hole stopes for which permanent pillars have been laid out and excluded from Mineral Reserves.
  - 90% for long-hole stopes for which permanent pillars have not been laid out.
  - 80% for room-and-pillar stopes for which permanent pillars have been laid out and excluded from Mineral Reserves.

Mineral Resource Table

Beaufor Mine	Tonnes (metric)	Grade (g/t Au)	Ounces
Measured Resources	53,000	6.27	10,700
Indicated Resources	300,000	7.57	73,000
Total Measured & Indicated Resources	353,000	7.37	83,700
Inferred Resources	36,000	6.44	7,500

Note: the Mineral Resources exclude the Mineral Reserves

Mineral Resource Classification

Measured Mineral Resources at the Beaufor Mine were confirmed by underground excavation and are extended over 8 metres from these openings following the dip of the zone. Indicated and Inferred Mineral Resources are defined by drilling and the polygons extend to a maximum of 20 metres of the drill hole.

Mineral Resource Parameters and Estimation Methods

- CIM definitions were followed for Mineral Resources.
- Mineral Resources are estimated at variable cut-off grades ranging from 4.14 g/t Au (longhole) to 5.63 g/t Au (room-and-pillar)
- Capping of high grades values at 68.5 g/t Au, and capping of drill hole intersections at 16.5 g/t over 2.40 m.
- Mineral Resources are estimated using a long-term gold price of $CAD 1,500 per ounce.
- A minimum horizontal vein width of 2.40 m was used.
- A specific gravity value of 2.75 t/m3 was used.
- Polygonal method as estimation method.
- Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

A technical report supporting the above mineral resource estimate for the Beaufor Mine will be filed on SEDAR within 180 days of this announcement.

Annex 2: Wasamac Property Mineral Resource Estimate

This mineral resource estimation for the Wasamac property was carried out by Daniel Adam, geo., Ph.D., General Manager, Exploration and Sustainable Development, an employee of Richmont Mines. He is a qualified person and member of a professional association as defined by the R 43-101 requirements.

This mineral inventory was realized in accordance with the recommendations and regulations as set by the R 43-101 committee. The classification of the Mineral Resources follows the general guidelines as adopted in December 2005 by the "CIM" (Canadian Institute of Mining) council.

The title, authors and issuer of the 43-101 report that was filed on SEDAR on May 11, 2012, are: Technical Report on the Wasamac Project, Rouyn-Noranda, Québec, Canada, Jacques Gauthier, ing., Yves Galarneau, ing., Marc Lavigne, M.Sc., ing., Daniel Adam, Ph.D., geo., Stéphane Lance, ing. and Colin Hardie, P. Eng., Roscoe Postle Associates Inc.

The technical and scientific content of the technical report has been reviewed and approved by Kenneth Williamson, M.Sc., P.Geo, the Corporation's qualified person under National Instrument 43?101.

To Monarques' knowledge, there are no new important scientific or technical information that would result in incorrect or misleading information relating to the Mineral Resource.

Mineral Resource Table

Wasamac Property	Tonnes (metric)	Grade (g/t Au)	Ounces
Measured Resources	1,923,218	2.87	177,485
Indicated Resources	4,839,237	2.44	378,900
Total Measured & Indicated Resources	6,762,455	2.56	556,385
Inferred Resources	25,686,159	2.58	2,130,532

Mineral Resource Classification

Resources classification was based on the criteria proposed in BSI's 2010 statistical review of the Wasamac project. For the Main Zone: Measured resources correspond to the blocks interpolated in the first pass of Kriging (15 metres x 7 metres x 10 metres search ellipse with a minimum of 6 and a maximum of 12 composites and a maximum of 3 composites from the same hole); Indicated resources correspond to the blocks interpolated in the second pass of Kriging (30 metres x 12 metres x 50 metres search ellipse with a minimum of 6 and a maximum of 12 composites and a maximum of 3 from the same hole); Inferred resources correspond to the blocks interpolated in the third pass of Kriging (50 metres x 15 metres x 75 metres search ellipse with a minimum of 2 and a maximum of 12 composites and a maximum of 3 composites from the same hole). Similar parameters were used for zones 1, 2 and 3.

Mineral Resource Parameters and Estimation Methods

The Mineral Resource estimate was done with all the assays results of the 2011 drilling program as of December 1, 2011 and after the reception of a re-interpretation of the continuity of the mineralized bodies in the Wasamac shear zone.

The method and parameters used for the resource estimation were as follows:

- Interpretation and construction of the 3D envelope of the mineralized zones were done using section and plan views. Mineralized intercepts were coded by zone and all the intercepts, surface DDH, underground DDH and face, were verified.
- A high grade assay capping value of 35 g/t Au was used as defined in the statistic review done by Belzile Solutions Inc. ("BSI" in 2010.
- 2 metre composites were created in all the mineralized intercepts and coded by zone. For the creation of the composites, the software was asked to create them in order to use the whole intercept, so the composite length was adjusted to make all intervals equal.
- The Mineral Resource was estimated by 3D block modeling (Block dimension of 4 m x 4 m x 5 m wide) with Gems software and using 2 m composites. All of the underground developments and stopes were modeled in three dimensions. All the blocks located inside the stopes and developments were eliminated from the model (tonnage and grade equalled to zero).
- Grade estimation was done by Ordinary Kriging using parameters based on a statistical study realized by BSI.
- A density of 2.8 t/m^3 was considered for tonnage calculation in mineralized zones. This tonnage factor is consistent with historical records and with the URSTM laboratory's measurements completed in 2010 and 2011.
- Grade estimation was verified and compared with an inverse square distance interpolation in Zone 2.
- Inside the modeled mineralized zones, criteria to define the Mineral Resource was a minimum of 4 m true width with a minimum average grade of 1.5 g/t of gold. This cut-off was established using a gold price of US$1,200/oz. For the Measured and Indicated Resources of the Main Zone and Zone 1, a 10 metre pillar was left around all of the old stopes with the exception of 3 small stopes in the lower part of the Main Zone which were discarded from the Mineral Resources. To calculate the Mineral Resources inside each zone, lines were traced on a longitudinal section (to define blocks with at least a minimum true width of 4 metres and a minimum average grade of 1.5 g/t) and used to clip the blocks. Only the blocks inside the line were put into the Mineral Resources.

A technical report supporting the above mineral resource estimate for the Wasamac property will be filed on SEDAR within 180 days of this announcement.

SOURCE Monarques Gold Corp.

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