

# Monarch Mining Corporation Receives Shareholder Approval by Written Resolution for Private Placement

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MONTREAL, March 28, 2022 - [Monarch Mining Corp.](#) ("Monarch" or the "Corporation") (TSX: GBAR) (OTCQX: GBARF) is pleased to announce that it has received shareholder approval by written resolution for the private placement announced on March 16, 2022. The terms of the private placement, as announced in the March 16 press releases, and the process for obtaining shareholder approval are described below.

The Corporation intends to complete a brokered private placement for the issuance and sale of 20,000,000 units of the Corporation (the "Units") at a price of \$0.60 per Unit (the "Subscription Price"), for aggregate gross proceeds of \$12,000,000 (the "Offering"). Each Unit shall consist of one common share in the capital of the Corporation (each a "Unit Share") and one common share purchase warrant of the Corporation (each whole warrant, a "Unit Warrant"). Each Unit Warrant shall entitle the holder thereof to purchase one common share in the capital of the Corporation (each a "Warrant Share") at a price of \$0.95 per Warrant Share for a period of 60 months following the closing date of the Offering (the "Closing Date").

Stifel Nicolaus Canada Inc. ("Stifel") and Sprott Capital Partners LP intend to act as co-lead agents and joint bookrunners under the Offering (collectively, the "Agents") on a best effort private placement basis, pursuant to the terms and conditions of (i) an engagement letter entered into between Stifel and the Corporation on March 15, 2022 (the "Engagement Letter"), as amended by an upside engagement letter entered into between Stifel and the Corporation on March 16, 2022 (the "Upside Engagement Letter" and, collectively with the Engagement Letter, the "Letter Agreements"), and (ii) an agency agreement to be entered among the Agents and the Corporation. The Letter Agreements were negotiated at arm's length between the Corporation and the Agents.

The Agents have been granted an option (the "Over-Allotment Option"), which may be exercised, in whole or in part, at the Agents' sole discretion and without obligation, to purchase from the Corporation up to an additional 4,000,000 Units at the Subscription Price for additional aggregate gross proceeds of up to \$2,400,000. For the purposes hereof the term "Offering" includes any Units issued upon exercise of the Over-Allotment Option.

As compensation for their services, the Agents shall, on the Closing Date, receive a cash commission of 6.0% of the gross proceeds of the Offering (reduced to 3.0% in respect of purchasers on the President's List) and compensation options (the "Compensation Options") equal to 6.0% of the number of Units sold in connection with the Offering (reduced to 3.0% in respect of purchasers on the President's List). Each Compensation Option shall entitle the holder thereof to subscribe for one common share of the Corporation for a period of 24 months from the Closing Date at a price of C\$0.60 per common share.

Pursuant to the Offering, the Units will be offered on a private placement basis to certain persons (the "Subscribers") (i) in Canada pursuant to prospectus exemptions in accordance with *Regulation 45-106 respecting Prospectus Exemptions* and *National Instrument 45-106 Prospectus Exemptions* and; (ii) to investors in the United States pursuant to available exemptions from the registration requirements of the *United States Securities Act of 1933*, as amended; and (iii) to investors resident in jurisdictions outside of Canada and the United States, in each case in accordance with all applicable laws provided that no prospectus, registration statement or similar document is required to be filed in such foreign jurisdiction.

The Corporation intends to use the net proceeds of the Offering to fund development expenditures at the Beaufor Mine and Beacon Mill, and for general corporate purposes including working capital.

The "market price" (as this term is defined in the TSX Company Manual) of the common shares of the

Corporation listed on the Toronto Stock Exchange (the "TSX") was \$0.6874 the day before the issuance of the press releases (the "Market Price").

If the Offering is completely subscribed and the Over-Allotment Option fully exercised, the Corporation will issue 24,000,000 Unit Shares, 24,000,000 Unit Warrants and up to 1,440,000 Compensation Options and if following the closing of the Offering, all the Unit Warrants and the Compensation Options that are issued are fully exercised, the Corporation will issue up to additional 25,440,000 common shares for a total of 49,440,000 common shares (the "Maximum Offering") in the capital of the Corporation representing dilution of approximately 58.23% in relation to the 84,906,750 common shares issued and outstanding as of March 22, 2022.

In the event of the Maximum Offering, the control of the Corporation will not be materially affected and will not result in a holding by a Subscriber of more than 20% of the issued and outstanding common shares of the Corporation and the emergence of a new Insider (as this term is defined in the TSX Company Manual) post-Offering calculated on a partially diluted basis.

Alamos Gold Inc., an Insider of the Corporation holding more than 10% of all the issued and outstanding common shares of the Corporation and Mathieu Seguin a senior officer and Insider of the Corporation have expressed their interest to subscribe for respectively 1,666,667 Units for an amount of \$1,000,000 and 200,000 Units for an amount of \$120,000 and upon the issuance of i) the Unit Shares will represent approximately and respectively 1.96% and 0.24% and ii) the Unit Shares and the Warrant Shares approximately and respectively 3.93% and 0.47% in relation to the 84,906,750 common shares issued and outstanding of the Corporation as of March 22, 2022.

The TSX requires, pursuant to Section 607 (g) i) of the TSX Company Manual, that shareholder approval of the Corporation be obtained for an offering of common shares which is greater than 25% of the number of listed common shares of the Corporation issued and outstanding, calculated on a non-diluted basis, prior to the Closing Date if the Subscription Price is less than the Market Price.

The TSX requires, pursuant to Section 607 (i) of the TSX Company Manual, that shareholder approval of the Corporation be obtained if the price of the common shares underlying the Compensation Options (the "Underlying Shares") is lower than the Market Price at the date of the Letter Agreements.

The price of the Underlying Shares represents a discount of approximately 12.71% in relation to the Market Price.

There is not any voting trust agreement in force as of the date hereof.

Pursuant to Section 604 (d) of the TSX Manual, the TSX permits shareholder approval to be obtained by a written resolution signed by shareholders of the Corporation holding more than 50% of all the issued and outstanding common shares of the Corporation. At least five business days before the closing of the Offering, the Corporation shall issue a press release describing the terms and conditions of the Offering and that it relies on an exemption of holding a shareholder meeting to approve the Offering.

As of March 28, 2022, the Corporation has obtained the shareholder approval representing 59.05% of the issued and outstanding common shares of the Corporation by way of a written resolution, exceeding the required minimum of 50%+1 of the TSX. Accordingly, the Corporation can now proceed with the closing of the Offering and expects to do so on or about April 6, 2022 subject to the TSX approval.

#### About Monarch

[Monarch Mining Corp.](#) (TSX: GBAR) (OTCQX: GBARF) is a fully integrated mining company that owns four projects, including the Beaufor Mine, which has produced more than 1 million ounces of gold over the last 30 years. Other assets include the Croinor Gold, McKenzie Break and Swanson properties, all located near Monarch's wholly owned 750 tpd Beacon Mill. Monarch owns 29,504 hectares (295 km<sup>2</sup>) of mining assets in the prolific Abitibi mining camp that host a combined measured and indicated gold resource of 478,982 ounces and a combined inferred resource of 383,393 ounces.

#### Forward-Looking Statements

The forward-looking statements in this press release involve known and unknown risks, uncertainties and other factors that may cause Monarch's actual results, performance and achievements to be materially different from the results, performance or achievements expressed or implied therein. These forward-looking statements include statements relating the size of the Offering, the Closing Date and the use of proceeds in connection with the Offering. Neither TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this press release.

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