

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Monarca Minerals Inc.
390 Bay Street, Suite 806
Toronto, ON M5H 2Y2

Item 2 Date of Material Change

July 19, 2017

Item 3 News Release

A news release with respect to the material change referred to in this report was disseminated on July 19, 2017 and filed on the system for electronic document analysis and retrieval (SEDAR).

Item 4 Summary of Material Change

The material change is fully described in the news release attached hereto as Schedule "A".

Item 5 Full Description of Material Change

The material change is fully described in the news release attached hereto as Schedule "A".

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Allan Folk
Interim Chief Executive Officer
Telephone: 416-417-7780

Item 9 Date of Report

July 19, 2017

SCHEDULE "A"

MONARCA MINERALS INC. ANNOUNCES COMPLETION OF THE SECOND TRANCHE OF PRIVATE PLACEMENT OF UNITS

/NOT FOR DISTRIBUTION TO UNITED STATES WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES/

Toronto, July 19, 2017 – Monarca Minerals Inc. (TSXV:MMN) ("**Monarca**" or the "**Company**") is pleased to announce that it has completed the second tranche of its previous announced (Press Release May 10, 2017) non-brokered private placement financing (the "**Financing**").

Under the second tranche of the Financing, Monarca issued 3,340,000 units (the "**Units**") at a price of \$0.13 per Unit for gross proceeds of \$434,200, making the total number of Units issued under the Financing 16,572,182 and the aggregate gross proceeds of the Financing \$2,154,383. Each Unit was comprised of one common share of the Company (a "**Common Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to acquire one Common Share at a price of \$0.18 per share for a period of 36 months from the date of issuance.

The Units issued under the second tranche of the Financing are subject to a four-month hold period expiring on November 20, 2017. In connection with the second tranche of the Financing, the Company paid cash finder's fees of \$14,245 and issued 109,577 finder warrants. Each finder warrant is exercisable for one Common Share at a price of \$0.13 per share for a period of 36 months.

In connection with the second tranche of the Financing, Messrs. Frank Hogel and Allan Folk, each a directors of the Company (collectively "**Insiders**"), have acquired beneficial control over 440,000 Units in the aggregate. This issuance of Common Shares and Warrants to Insiders is considered a "related party transaction" as such term is defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under MI 61-101 on the basis that participation in the Financing by Insiders does not exceed 25% of the fair market value of the Company's market capitalization.

About Monarca Minerals Inc.

Monarca is a Canadian company focusing 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 a mineral resource of 28.7 million ounces of silver (19.8 million tonnes at 45.0 g/t Ag) at its Tejaman deposit.

For further information, please contact:

Allan Folk
Interim Chief Executive Officer
Monarca Minerals Inc.
E: Afolk.bb@gmail.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.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.