MONARCH GOLD ANNOUNCES FRIENDLY ACQUISITION AGREEMENT WITH YAMANA GOLD

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Montreal, Quebec, Canada, November 2, 2020 – MONARCH GOLD CORPORATION ("Monarch" or the "Corporation") (TSX: MQR) (OTCQX: MRQRF) (FRANKFURT: MR7) is pleased to announce that it has entered into a definitive agreement (the "Agreement") with Yamana Gold Inc. ("Yamana" or the "Company") pursuant to which Yamana will acquire the Wasamac property and the Camflo property and mill through the acquisition of all of the outstanding shares of Monarch (not already owned by Yamana) for total consideration of approximately C$200 million or C$0.63 per Monarch share on a fully diluted basis, under a plan of arrangement. The total consideration to be paid by Yamana to the shareholders of Monarch ("Monarch Shareholders") is approximately C$60.8 million in cash and C$91.2 million in Yamana shares. Under the plan of arrangement, Monarch will first complete a spin-out to its shareholders, through a newly-formed company ("SpinCo") that will hold its other mineral properties and certain other assets and liabilities of Monarch, by issuing as consideration common shares of SpinCo (the "SpinCo Shares") having an implied value of approximately C$47.5 million (the "Spin-Out").

The transaction represents a 43% premium to the closing price of Monarch shares on the Toronto Stock Exchange (the "TSX") on October 30, 2020 and a premium of 43% to the volume weighted average price of the Monarch shares on the TSX for the 20-day period ending on October 30, 2020.

Transaction Terms

Upon implementation of the plan of arrangement, the following assets and liabilities will be transferred by Monarch to SpinCo in consideration for the issuance of the SpinCo Shares to Monarch Shareholders:

1. The Beaufor mine, the McKenzie Break property, the Croinor Gold property, the Swanson property and the Beacon Gold mill and property (the "SpinCo Properties");
2. C$14 million cash;
3. All assets and liabilities related to the SpinCo Properties.
Following the Spin-Out, each outstanding common share of Monarch will be exchanged for:

1. C$0.192 in cash from Yamana;
2. 0.0376 of a Yamana share (a value of C$0.288 based on the volume weighted average price of the Yamana shares on the TSX for the 20 trading days ending on October 30, 2020);
3. 0.20 of a SpinCo Share (with each full share having a value of C$0.75 per share).

Following the completion of the transaction, Monarch Shareholders will own approximately 1.3% of Yamana and 100% of SpinCo, and Yamana will own 100% of Monarch.

**Board of Directors’ Recommendations**

The Agreement has been unanimously approved by the Board of Directors of Monarch (with the exception of Yohann Bouchard who abstained) who recommends that Monarch Shareholders vote in favour of the Agreement. The Board of Directors of Monarch has received a fairness opinion from Stifel GMP, which state that the consideration to be received by Monarch Shareholders pursuant to the Agreement is fair from a financial point of view, to Monarch Shareholders (other than Yamana). The Agreement has also been unanimously approved by the Board of Directors of Yamana.

**Transaction Conditions & Timing**

Full details of the transaction will be included in the management information circular of Monarch that is expected to be mailed to Monarch Shareholders’ in December 2020. The transaction will be effected by way of a court-approved plan of arrangement under the Canada Business Corporations Act and will be subject to the approval of at least 66 2/3% of the votes cast by Monarch Shareholders and optionholders, voting as a single class, at a special meeting of Monarch Shareholders expected to be held near the end of December 2020.

The directors and senior officers of Monarch, holding in aggregate over 3% of the issued and outstanding common shares of Monarch, have entered into voting support agreements with Yamana, pursuant to which they have agreed to vote their shares in favour of the transaction. Certain larger shareholders of Monarch have also entered into support agreements and together with shares already owned or held by Yamana, approximately 28% of Monarch’s issued and outstanding shares would be voted in support of the Transaction.

The transaction does not require the approval of the shareholders of Yamana. The completion of the transaction is also subject to the receipt of court, stock exchange and any other required regulatory approval, and is subject to certain customary closing conditions for transactions of this nature.

The Agreement provides for, among other things customary board support and non-solicitation covenants, with “fiduciary out” provisions that allow Monarch to accept a superior proposal, subject to a “right to match period” in favour of Yamana. The Agreement also provides for a termination fee of C$8 million to be paid by Monarch to Yamana if the Agreement is terminated in certain specified circumstances.

The companies are working towards closing the transaction by the end of 2020 and not later than early January 2021.

None of the securities to be issued pursuant to the transaction have been or will be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws, and any securities issuable in the Transaction are anticipated to be issued in reliance upon available exemptions from such
registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Value to Monarch Shareholders

- The total consideration values Monarch at approximately C$200 million or C$0.63 per share - a premium of approximately 43% to the closing price of the Monarch shares on the TSX on October 30, 2020 and a premium of 43% based on the volume weighted average price of the Monarch and Yamana shares for the 20 trading days ending on October 30, 2020
- Exposure to Yamana’s portfolio of high-quality mines and development projects, in addition to ongoing participation in value creation at Wasamac
- Access to Yamana’s technical, project development and operating capabilities as well as financial resources
- Potential for value accretion through a re-valuation in Yamana’s share price as the Company continues to deliver and de-risks its combined asset portfolio
- Participation in Yamana’s dividend program
- Participation in the well-capitalized SpinCo, which will hold a significant portfolio of advanced exploration assets in the prolific Abitibi mining camp, a fully permitted 750tpd mill, and the past producing Beaufor Mine.

Jean-Marc Lacoste, President and CEO of Monarch stated: “We have built, over the years, a great portfolio through acquisitions and organic growth which led to this fruitful transaction within the diversified portfolio of Yamana. A project the size of Wasamac needed a strategic alliance with a good developer and operator with a track record of success in similar styled mineralization and we believe this transaction is in the best interests of the shareholders. The exploration potential offered in the 200 km² eastern Abitibi region (comprised of the Beaufor mine, the McKenzie Break property, the Croinor Gold property, the Swanson property and the Beacon Gold mill and property) will continue to grow for the shareholders in the well-funded newly formed corporation. Finally, the cash component of the offer will permit the long-time shareholders to reduce their initial cost.”

Strategic Rationale for Yamana

The acquisition provides Yamana with a high-quality project with a significant mineral reserve and resource base and excellent potential for further expansion. The acquisition adds to the Company’s footprint in the Abitibi region, which is consistent with Yamana’s strategy to build on its existing presence in established mining jurisdictions where it has deep technical, geological, and operational expertise. In addition, the acquisition of the Wasamac and Camflo properties adds to Yamana’s pipeline of organic opportunities, significantly enhancing the Company’s future growth prospects. The company has considerable experience in large bulk tonnage underground mines, experience which will support the development of Wasamac. Furthermore, the acquisition aligns with the Company’s strategy for a balanced approach to capital allocation.

Advisors and Counsel

The Board of Directors of Monarch has engaged Stifel GMP as its financial advisors and Monarch has engaged Stein Monast LLP as its legal advisors in connection with the transaction.
Yamana has engaged Canaccord Genuity Corp. as its financial advisor and Cassels Brock & Blackwell LLP its legal advisors in connection with the transaction.

ABOUT YAMANA
Yamana Gold Inc. is a Canadian-based precious metals producer with significant gold and silver production, development stage properties, exploration properties, and land positions throughout the Americas, including Canada, Brazil, Chile and Argentina. Yamana plans to continue to build on this base through expansion and optimization initiatives at existing operating mines, development of new mines, the advancement of its exploration properties and, at times, by targeting other consolidation opportunities with a primary focus in the Americas.

ABOUT MONARCH GOLD CORPORATION
Monarch Gold Corporation (TSX: MQR) is an emerging gold mining company focused on becoming a 100,000 to 200,000 ounce per year gold producer through its large portfolio of high-quality projects in the Abitibi mining camp in Quebec, Canada. The Corporation currently owns over 315 km² of gold properties (see map), including the Wasamac deposit (measured and indicated resource of 2.6 million ounces of gold, which includes proven and probable reserves of 1.8 million ounces of gold), the Beaufor, Croinor Gold (see video), and McKenzie Break advanced projects, the Camflo and Swanson exploration projects, and the Camflo and Beacon mills. It also offers custom milling services out of its 1,600 tonne-per-day Camflo mill.

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. 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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