MANAGEMENT DISCUSSION AND ANALYSIS

RESSOURCES MONARQUES RESOURCES

PERIOD ENDED
SEPTEMBER 30, 2014
1ST QUARTER

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The following management's discussion and analysis (the "MD&A") objective is to help the reader better understand the activities of the Company and the highlights of its financial situation. It explains the financial situation and the results for the first quarter ended September 30, 2014 and the comparison of the Company's statement of financial position as at September 30, 2014 and June 30, 2014.

The MD&A has been prepared in accordance with Regulation 51-102 and should be read in conjunction with the audited consolidated financial statements of the Company for the fiscal year ended June 30, 2014 and the related notes thereto.

The unaudited consolidated condensed interim financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Company's Board of Directors on November 27, 2014. Unless otherwise indicated, all the amounts in this MD&A are in Canadian dollars.

Forward looking statements

Some statements contained in this MD&A, specially the opinions, the projects, the objectives, the strategies, the estimates, the intent and the expectations of the Company that are not historical data, are forward looking statements. Such statements can be recognized by the terms "forecast", "anticipate", "consider", "foresee" and other terms and similar expressions. These statements are based on information available at the time they are made, on assumptions established by the management and on the management expectation, acting in good faith, concerning future events and concerning, by their nature, known and unknown risks and uncertainties mentioned herein (see the section Risks and uncertainties). The real results for the Company could differ in an important way of those which state or that these forward looking statements show the possibility for. Consequently it is recommended not to trust unduly these statements. These statements do not reflect the potential incidence of special events which could be announced or take place after the date of this MD&A. Except if the applicable legislation requires it, the Company does not intend to update these prospective statements to reflect, in particular, new information or future events, and it is by no means committed doing so.

Reporting entity and going concern

Monarques Resources Inc. ("The Company"), incorporated on February 16, 2011 under the *Canada Business Corporations Act*, is engaged in the acquisition and exploration of mining properties. Its shares trade on the TSX Venture Stock Exchange under the symbol MQR. Its activities are in Canada. The Company is an associate of Nemaska Lithium Inc. (Nemaska), a company that trades on the TSX Venture under the symbol NMX and owns 24.54% as at September 30, 2014 (24.54% as at June 30, 2014) of the share capital of the Company.

The Company has not yet determined if the properties contain ore reserves that are economically recoverable. Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The recoverability of amounts shown for mining properties and related exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. As at the date of the financial statements, management determined that the carrying amount of mining properties represents the best estimate of their net recoverable value. This value may nonetheless be reduced in the future.

Management expects that the working capital available to the Company at the end of the period, together with the financing that is expected to be closed by the end of the calendar year (see Note 19 "Subsequent event" of the consolidated condensed interim financial statements for the period ended September 30, 2014), will provide the Company with adequate funding in order to cover its budget for general administrative expenses, to meet its short-term obligations, and to complete its planned 2014-2015 fiscal year exploration budget. Since the Company does not generate revenues, the Company will need to periodically obtain new funds to pursue its operations and, despite its ability to obtain funds in the past, there is no guarantee that it will be able to raise financing in the future.

These consolidated condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and on the assumption of going concern. The application of IFRS under the assumption of going concern may be inappropriate because the above condition indicates the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern. These consolidated financial statements do not include adjustments that should be made to the carrying amount of assets and liabilities if the assumption of going concern proves to be unfounded.

Highlights for the three-month period ended September 30, 2014 and up to the date of this report, scope of activities and next steps

On July 7, 2014, the company announce that it would proceed with a prefeasibility study for the Croinor Gold project. The prefeasibility study, which is schedule to be issued before the end of 2014, will include the use of a new mining technology for narrow ore bodies, developed and manufactured in Quebec by Minrail of Val-d'Or.

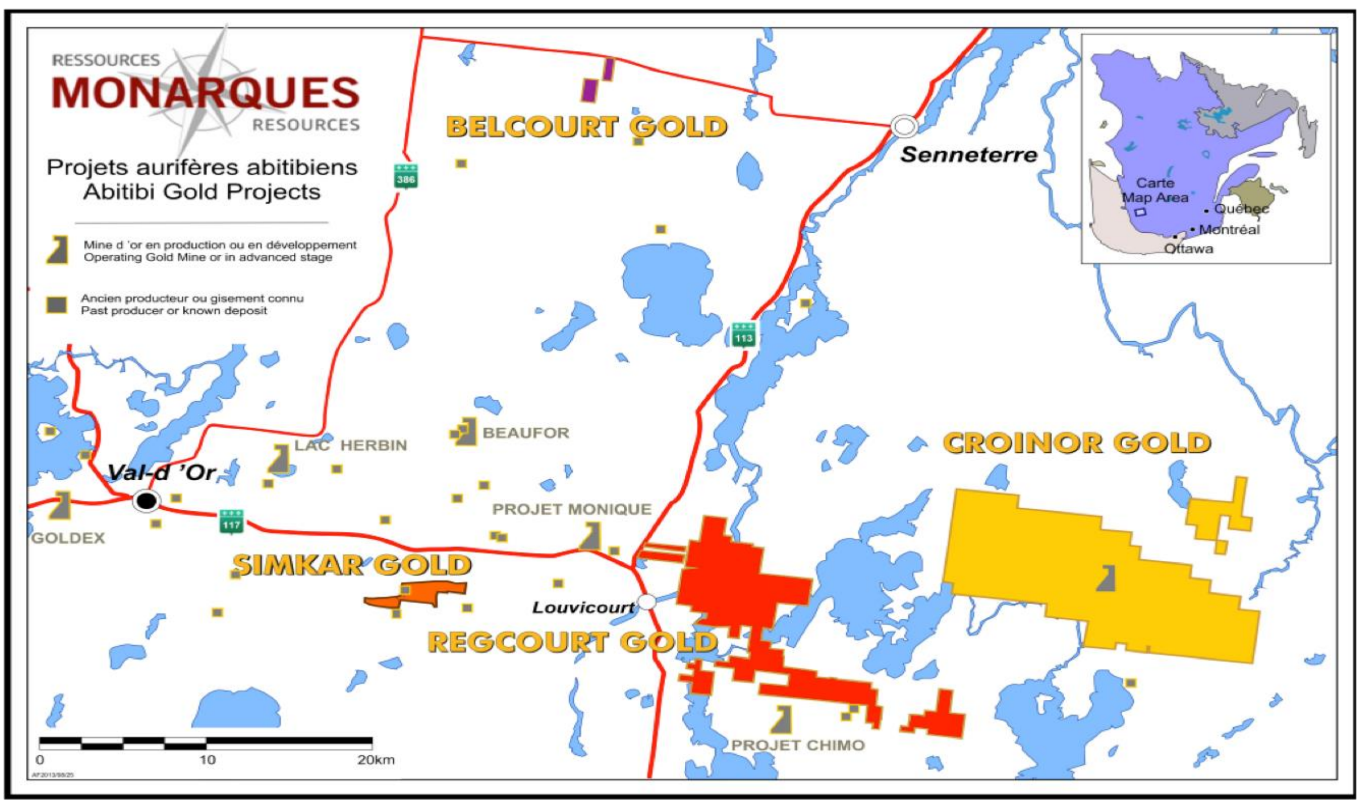
On November 10, 2014, the Company filed on SEDAR a preliminary short form prospectus in order to raise a minimum of $1,500,000 being composed of 2,307,692 A units (the "A Units") at a price of $0.13 per A Unit, 1,000 B units (the "B Units") at a price of $1,000 per B Unit and 1,250,000 C units (the "C Units") at a price of $0.16 per C Unit and, subject to the minimum offering, any combination of A Units, B Units and C Units up to a maximum gross proceeds of $3,000,000. Each A Unit consists of one common share in the capital of the Company at a price of $0.13 per common share and one common share purchase warrant. Each B Unit consists of 5,000 common shares to be issued as flow-through shares at a price of $0.16 per flow-through share, 1,538 common shares at a price of $0.13 per common share and 3,269 warrants. Each C Unit consists of one flow-through share at a price of $0.16 per flow-through share and one-half of one warrant, for which a minimum individual subscription of $100,000 is required. Each whole warrant entitles its holder to purchase one common share at a price of $0.18 at any time prior to 5:00 p.m. (Montreal time) on the date that is 36 months following the closing date. The A Units, the B Units and the C Units together with any additional units will be sold pursuant to the terms and conditions of the agency agreement between the Company and the agent.

The principal business objectives that the Company expects to accomplish in the near term are i) to update the information on the indicated resources of the Croinor Gold Property before mining begins; and ii) to perform a drilling program in an effort to convert the inferred resources to indicated resources. The Company is currently conducting an exploration program to better evaluate the overall potential of its Croinor Gold Property by revisiting the main historical showings and by conducting a geological reconnaissance on geophysical anomalies.

In May 2013, the Company started to acquire gold properties in the Val-d'Or area. As at the date of this report and as shown in the following map, the Company owns, directly or indirectly, in the Val-d'Or area, 4 properties, totalling 538 claims, 2 mining concessions and 1 mining leases:

Properties	Claims	Area km2	MRN Credits ($)	NSR (%)	Properties before consolidation
Croinor Gold 1 mining lease	297	127	7,414,859 $	1,5% *	Croinor, Croinor-Pershing, Lac Tavernier, Bel-Rive
Simkar Gold 2 mining concessions	21	5	586,447 $	1,5%	Simkar, Tex-Sol
Regcourt Gold	215	58	1,095,416 $	1,5%-2,5%**	Regcourt, Plator I, Plator II, Plator III, Plator IV, Plator V
Belcourt Gold	5	2	338 $	1,5%	Belcourt
Total	***538***	***192***	***9,097,060 $***		

** Royalty applicable on the mining lease and 45 claims only ** Rolyalty of 1.5 % on 90 claims (Regcourt) and a royalty of 2,5 % on 168 claims (Plator I to V)*



Property	Details	Objective	Results
Croinor Gold	The Croinor project and its surroundings cover a total area of 127 km² and comprise 297 mineral claims and one mining lease, all wholly-owned by the Company. The Croinor Gold property is the result of a merger of the Croinor, Croinor-Pershing, Lac Tavernier and Bel-Rive properties. The transaction was made and publicly announced by press release on June 26, 2014.	Acquire a property with an historical resources with production potential in a near future.	Croinor becomes the flagship project of the Company.
Simkar Gold	In September 2013, the Company acquired an undivided 50% interest under the terms of a transactions with Eloro Resources Ltd (Eloro). In June 2014, the Company made an arrangement with Eloro to acquire the remaining interest in the property. The Company now holds 100 % of Simkar Gold property. The property is located 20 kilometres east of Val-d'Or, Quebec, in the heart of the Abitibi Greenstone Belt. It covers an area of 5.29 km² and comprises two mining concessions and 21 mineral claims. A royalty of 1.5 % is applicable. The Simkar Gold property is the result of a merger of the Simkar and Tex-sol properties. The transaction was made and publicly announced by press release on June 26, 2014.	Identify new zones and potential on lateral extension and at depth. Additional geophysics is required to define future drilling campaign.	2013 drill campaign confirm presence of silver and potential to increase the actual resources.
Regcourt Gold	The Regcourt Gold property consists of 215 claims that cover an area of 58 km2 near the centre of the western border of Vauquelin Township. The property is located at the eastern end of the Val-d'Or gold mining camp, some 30 km east of Val-d'Or. 100 % owned by the Company, there's a royalty of 1.5 % applicable on 90 claims and 2.5% applicable on 168 claims. The Regcourt Gold property is the result of a merger of the Regcourt, Plator I, Plator II, Plator III, Plator IV & Plator V. The transaction was made and publicly announced by press release on June 26, 2014.	Expand the portfolio of advanced exploration asset	Addition of the property to the portfolio of gold exploration assets.
Belcourt Gold	The property consists of 5 claims covering 2 km2 and is 100% owned by the Company. The property is located approximately 40 km northeast of Val-d'Or, in Courville Township.	Expand the portfolio of grassroots gold assets in Val-d'Or area.	Addition of the property to the portfolio of gold exploration assets

The foreseen main works on the properties are as follows:

MAIN WORKS PLANNED ON VAL-D'OR PROPERTIES	
Property	**Work**
Croinor Gold	Fieldwork, exploration drilling and definition drilling. Work on different solutions to increase the economics of the prefeasibility study.
Simkar Gold	Geophysics, geological surveys, prospecting and trenching.
Regcourt Gold	Data compilation and reporting.
Belcourt Gold	Data compilation and reporting.

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Selected Financial Information

The following table summarizes the Company's selected key financial data taken from the consolidated condensed interim statement of loss and comprehensive loss for the periods ended September 30, 2014, 2013 and 2012 as well as the consolidated condensed interim statement of financial position as at September 30, 2014, June 30, 2014 and June 30, 2013.

Consolidated Statements of Loss and Comprehensive Loss selected financial information			
	Three-month periods ended September 30		
Earnings, Loss and Comprehensive Loss	**2014**	**2013**	**2012**
Interest income	**3,052**	6,062	2,616
Loss before income taxes	**169,450**	324,423	100,256
Net loss and comprehensive loss	**203,022**	294,542	143,280
Loss per share, basic and diluted	**0.003**	0.006	0.004
Consolidated Statements of Financial Position selected financial information			
	As at		
	September 30, 2014 ($)	**June 30, 2014 ($)**	**June 30, 2013 ($)**
Cash and cash equivalents (1)	**917,054**	1,245,702	2,093,271
Working capital (2)	**742,949**	999,046	1,008,458
Total assets	**5,070,480**	5,232,586	14,682,178
Total liabilities	**417,378**	377,363	898,827
Shareholder's Equity	**4,653,102**	4,855,223	13,783,351

(1) The cash and cash equivalents includes nil ($114,095 as at June 30, 2014 and $951,070 as at June 30, 2013) of cash reserved for exploration expenses.

(2) This is a non GAAP financial measure which does not have any standardized meaning prescribed by the Company's GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. This financial measure is defined as the current assets excluding the cash reserved for exploration, less the current liabilities excluding the liability related to flow-through shares, which presents the actual working capital available to the Company for general administrative purposes and other working capital.

Consolidated condensed interim statement of financial position as at September 30, 2014

As at September 30, 2014, the total assets of the Company totalled $5,070,480, representing a net decrease of $162,106 when compared to June 30, 2014. The decrease in the total assets during the first quarter is mostly related to: i) the cash flow used for the operating activities amounting to $270,154; and ii) the increase in the accounts payable for a total of $46,591.

Management expects that the working capital available to the Company at the end of the period, together with the financing that is expected to be closed by the end of the calendar year (see Note 19 "Subsequent event" of the consolidated condensed interim financial statements for the period ended September 30, 2014), will provide the Company with adequate funding in order to cover its budget for general administrative expenses, to meet its short-term obligations, and to complete its planned 2014-2015 fiscal year exploration budget. Since the Company does not generate revenues, the Company will need to periodically obtain new funds to pursue its operations and, despite its ability to obtain funds in the past, there is no guarantee that it will be able to raise financing in the future.

Consolidated Condensed Interim Statements of Loss and Comprehensive Loss

Three-month periods ended September 30, 2014 and 2013

	2014	2013
	$	$
Expenses:		
Compensation	**123,674**	109,285
Share-based payments	**901**	84,872
Rent, office and other expenses	**9,368**	10,904
Registration, listing fees and shareholders' information	**9,463**	3,416
Promotion and advertising	**1,155**	1,604
Representation, missions and trade shows	**8,240**	5,933
Consultant fees	**19,505**	7,546
Professional fees	**31,745**	31,335
Total expenses	**204,051**	**254,895**
Net finance (income) expense:		
Finance income	**(3,052)**	(6,062)
Finance expense	**974**	5,633
	(2,078)	**(429)**
Operating loss	**201,973**	**254,466**
Other items:		
Other income related to flow-through shares	**(28,523)**	(10,043)
Change in fair value of available-for-sale marketable securities	**-**	80,000
Realised gain on disposal of marketable securities	**(4,000)**	-
	(32,523)	**69,957**
Loss before income taxes	**169,450**	**324,423**
Income tax expense (recovery)	**17,572**	(29,881)
Net loss for the period	**187,022**	**294,542**

Consolidated Condensed Interim Statements of Loss and Comprehensive Loss (continued)

Three-month periods ended September 30, 2014 and 2013 (continued)

	2014	2013
	$	$
Net loss for the period (continued)	**187,022**	**294,542**
Other comprehensive loss		
Items that are or may be reclassified subsequently to net income or loss:		
Change in fair value of available-for-sale marketable securities	**16,000**	-
Comprehensive loss for the period	**203,022**	**294,542**
Basic and diluted loss per share	**0.003**	0.006
Weighted average number of shares outstanding	**64,585,204**	50,760,208

The results for the quarter show an operating loss of $201,973 ($254,466 for the same period in the previous year). Aside from interest revenues of $3,052 ($6,062 for the same period in the previous year), the Company has no revenues from operations.

As seen in the previous statement of loss and comprehensive loss, the main variations between the current three-month period and the previous year comparative figures are: i) Consultant fees increased by $11,959 mainly due to fees related to the release of a coverage by Fundamental Research Corp. investment analysis; and ii) share-based payments, a non-cash item, decreased by $83,971 mainly due to different timing in the issuance of the options.

Financing activities for the three-month period ended September 30, 2014

During the quarter, the Company did not complete any financing.

Investing activities for the three-month period ended September 30, 2014

During the first quarter, the cash flow used by the investing activities totalling $58,494 was for exploration and evaluation assets for a total of $96,788 (net of the variation during the period in the accounts payables and accrued liabilities related to such amounting to $106,601). An amount of $10,838 was recovered in relation to deposits to suppliers for exploration and evaluation assets. Also, a portion of the cash flow during the quarter was used for mining properties claim renewal for a total of $3,544, which was partly paid with the disposal of marketable securities amounting to a cash inflow of $31,000.

The details for the total exploration and evaluation expenses done during the three-month period ended on September 30, 2014 on each property are presented in the following table:

Properties	Balance as at June 30, 2014 ($)	Salaries and Consultants ($)	Geology and geophysics ($)	Test, sampling and prospecting ($)	Drilling, equipment rental and other material ($)	Lodging, meals and travel expenses ($)	Increase (Decrease) for the period ($)	Tax credits for resources	Balance as at September 30, 2014 ($)
Belcourt Gold	**2,449**	-	-	-	-	-	**-**	**-**	**2,449**
Croinor Gold (1)	**12,071**	65,285	116,383	-	3,197	3,591	**188,456**	**(34,600)**	**165,927**
Regcourt Gold (2)	**34,885**	-	6,627	-	-	-	**6,627**	**-**	**41,512**
Simkar Gold (3)	**1,015,027**	-	8,306	-	-	-	**8,306**	**-**	**1,023,333**
TOTAL	**1,064,432**	**65,285**	**131,316**	**-**	**3,197**	**3,591**	**203,389**	**(34,600)**	**1,233,221**

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The details for the total exploration and evaluation expenses done during the three-month period ended on September 30, 2013 on each property are presented in the following table:

Properties	Balance as at June 30, 2013 ($)	Salaries and fringe benefits ($)	Geology and geophysics ($)	Test, sampling and prospecting ($)	Drilling, equipment rental and other material ($)	Lodging, meals and travel expenses ($)	General exploration expenses ($)	Increase (Decrease) for the year ($)	Balance as at September 30, 2013 ($)
Amiral	**49,142**	-	-	-	-	-	-	**-**	**49,142**
Arques	**338,340**	-	-	-	-	-	-	**-**	**338,340**
Belcourt	**-**	2,449	-	-	-	-	-	**2,449**	**2,449**
Bel-Rive	**-**	1,841	-	-	-	-	-	**1,841**	**1,841**
Bourier	**1,184,638**	-	-	-	-	-	-	**-**	**1,184,638**
Caumont	**411,963**	600	-	-	-	-	-	**600**	**412,563**
Dumulon	**216,246**	-	-	-	-	-	-	**-**	**216,246**
Duval	**265,538**	-	-	-	-	-	-	**-**	**265,538**
Lac Tavernier	**-**	1,838	-	-	-	-	-	**1,838**	**1,838**
Lemare	**1,154,229**	600	-	-	-	-	-	**-**	**1,154,829**
Nisk	**611,455**	1,800	-	-	-	-	-	**-**	**613,255**
Plator I to V	**-**	600	-	-	-	-	-	**600**	**600**
Regcourt	**28,858**	5,427	-	-	-	-	-	**5,427**	**34,285**
Rosebay	**16,611**	-	-	-	-	-	-	**-**	**16,611**
Simkar	**-**	10,998	17,100	-	775	-	-	**28,873**	**28,873**
Tex-Sol	**-**	6,187	-	-	-	-	-	**6,187**	**6,187**
Valiquette	**450,903**	-	-	-	-	-	-	**-**	**450,903**
TOTAL	**4,727,923**	**32,340**	**17,100**	**-**	**775**	**-**	**-**	**50,215**	**4,778,138**

Selected quarterly data

Operating results for each of the last 8 quarters are presented in the table below. The data related to these quarters were prepared in the same manner as that of the audited financial statements for the fiscal year ended June 30, 2014.

Operating results as at:	Finance income ($)	Loss before income taxes ($)	Comprehensive loss ($)	Loss per share – basic and diluted ($)
September 30, 2014	3,052	169,450	206,022	0.003
June 30, 2014	2,279	199,592	229,592	0.004
March 31, 2014	1,879	121,356	121,356	0.002
December 31, 2013	4,481	10,380,739	9,813,598	0.19
September 30, 2013	6,062	324,423	294,542	0.006
June 30, 2013	6,972	20,655	30,566	0.001
March 31, 2013	6,362	60,223	171,389	0.003
December 31, 2012	1,688	148,060	195,287	0.005

Common shares:

Outstanding shares information as at:	Common shares outstanding	Number of weighted average Common shares outstanding
As at the date of this report	64,585,204	64,585,204
September 30, 2014	64,585,204	64,585,204
June 30, 2014	64,585,204	58,619,982
March 31, 2014	57,058,389	55,825,259
December 31, 2013	54,440,208	51,775,860
September 30, 2013	50,760,208	50,760,208
June 30, 2013	50,760,208	44,134,509
March 31, 2013	50,567,900	41,985,235
December 31, 2012	50,567,900	38,914,288

Share purchase options:

Outstanding share purchase options as at:	Options issued	Options exercisable	Average exercise strike price ($)
As at the date of this report	3,670,000	3,582,500	0.25
September 30, 2014	3,670,000	3,582,500	0.25
June 30, 2014	3,696,250	3,506,250	0.25
March 31, 2014	3,101,250	2,913,750	0.27
December 31 2013	3,101,250	2,913,750	0.27
September 30, 2013	3,176,250	2,988,750	0.27
June 30, 2013	2,755,000	2,627,500	0.33
March 31, 2013	2,930,000	2,682,500	0.33
December 31, 2012	2,650,000	2,650,000	0.34

As at September 30, 2014, the Company had 3,670,000 outstanding options to purchase common shares. These options allow their holder to subscribe to common shares at a price varying between $0.125 and $0.40 per common share for a period varying from 24 months to 60 months from the issue date, subject to the conditions established under the common share purchase option Plan. During the quarter, 26,250 options expired.

Warrants to shareholders:

Outstanding warrants to shareholders as at:	Warrants issued to shareholders	Warrants exercisable	Average strike price ($)
As at the date of this report	15,511,396	15,511,396	0.25
September 30, 2014	15,511,396	15,511,396	0.25
June 30, 2014	15,511,396	15,511,396	0.25
March 31, 2014	13,719,581	13,719,581	0.25
December 31, 2013	12,701,400	12,701,400	0.25
September 30, 2013	13,861,400	13,861,400	0.27
June 30, 2013	13,861,400	13,861,400	0.27
March 31, 2013	13,861,400	13,861,400	0.27
December 31, 2012	13,961,400	13,961,400	0.27

Warrants to brokers:

Outstanding warrants to brokers as at:	Warrants issued to brokers	Warrants exercisable	Average exercise strike price ($)
As at the date of this report	779,390	779,390	0.21
September 30, 2014	779,390	779,390	0.21
June 30, 2014	779,390	779,390	0.21
March 31, 2014	779,390	779,390	0.21
December 31, 2013	779,390	779,390	0.21
September 30, 2013	695,390	695,390	0.22
June 30, 2013	695,390	695,390	0.22
March 31, 2013	695,390	695,390	0.22
December 31, 2012	695,390	695,390	0.22

As at September 30, 2014, the Company had issued 15,511,396 exercisable warrants to shareholders and 779,390 exercisable warrants to brokers. Each warrant allows its holder to subscribe to one (1) common share at a price varying between $0.12 per share to $0.30 per share for a period varying between 24 and 36 months following their issue date. Furthermore, the 9,171,400 warrants issued to shareholders during the month of December 2012 are listed on the TSX Venture exchange and started trading at the opening of the markets on May 2, 2013 under the trading symbol “MQR.WT”, entitling their holders thereof to purchase one common share, at a price of $0.30 per common share, until 5:00 p.m. (Montréal time) on December 14, 2015.

Related Party Transactions and Commercial Objectives

During the three-month period ended September 30, 2014, the Company incurred expenses for services rendered by executive officers of the Company. These services were rendered in the normal course of operations and are measured at the exchange amount, which is the amount agreed between the parties.

Three-month periods ended September 30		
	2014 ($)	2013 ($)
Compensation paid to key management personnel	92,794	87,187
Share-based payments towards key management personnel	901	35,146
Fees and expenses paid to the external directors	18,250	15,000
Share-based payments towards the directors	-	34,949

Inter-company transactions carried out during the three-month period ended September 30, 2014 between the Company and Nemaska (entity having significant influence over the Company), totalled an amount of $28,500 ($35,468 in 2013) as follows: Nemaska charged to the Company for the following: $28,500 ($32,168 in 2013) of compensation and nil ($3,300 in 2013) as general administrative and office expenses.

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. There is no inter-company balance payable or receivable by the Company to or from Nemaska as at September 30, 2014 and as at June 30, 2014.

Off Balance sheet agreements

The Company has not concluded any off balance sheet agreements.

Obligations and contractual commitments

The Company had the following commitments as at the date of this report:

(A) Regcourt Gold

The Company has agreed to pay Plato Gold Inc. a 1% Net Smelter Return ("NSR") on all metals on some of the claims forming the property and has the right, at any time before commercial production, to purchase this 1% NSR by paying the seller $1,000,000 in cash. Also, the Company has agreed to pay to Eloro Resources Inc. a 1.5% Net Smelter Return ("NSR") on all metals from the claims and has the right, at any time before commercial production, to purchase 1/3 of this NSR by paying Eloro Resources Inc. $1,000,000 in cash.

(B) Simkar Gold

The Company has agreed to pay Eloro Resources Inc. a royalty equal to 1.5% Net Smelter Return ("NSR") on all metals on the claims acquired and has the right, at any time before commercial production, to purchase 1/3 of this NSR by paying Eloro Resources Inc. $1,000,000 in cash. This buyback clause does not apply to 11 of the claims forming the property.

(C) BELCOURT GOLD

The Company has agreed to pay Eloro Resources Inc. a royalty equal to 1.5% Net Smelter Return ("NSR") on all metals on the claims acquired and has the right, at any time before commercial production, to purchase 1/3 of this NSR by paying Eloro Resources Inc. $1,000,000 in cash.

(D) CROINOR GOLD

The Company has agreed to pay to the beneficiaries a total royalty of 1.5% Net Smelter Return ("NSR") on all metals on some of the claims acquired and has the right, at any time before commercial production, to purchase 50% of this NSR by paying the beneficiaries a total of $500,000 in cash.

(E) FLOW-THROUGH SHARES

The Company was committed to incur eligible exploration and evaluation expenses, pursuant to the Canada *Income Tax Act* and Québec *Taxation Act*, of $1,647,200 by December 31, 2013, and to transfer the tax deductions related to these expenditures to the subscribers of its flow-through share underwriting completed on December 21, 2012. The Company has fulfilled this commitment since it incurred a cumulative amount of $1,647,200 of eligible expenses as at December 31, 2013 ($696,130 as at June 30, 2013) and has no funds reserved for exploration ($951,070 as at June 30, 2013) related to this commitment.

The Company was also committed to incur eligible exploration and evaluation expenses, pursuant to the Canada *Income Tax Act* and Québec *Taxation Act*, of $201,600 by December 31, 2014, and to transfer the tax deductions related to these expenditures to the subscribers of its flow-through share completed on December 23, 2013. The Company has fulfilled this commitment since it incurred a cumulative amount of $201,600 of eligible expenses as at September 30, 2014 ($87,505 as at June 30, 2014) and has no funds reserved for exploration ($114,095 as at June 30, 2014) related to this commitment.

Additional information required from junior issuers with no significant income

The Company reports the information on its exploration and evaluation assets in note 7 of its unaudited consolidated condensed interim financial statements for the three-month period ended September 30, 2014.

The Company has no research and development expenses.

The Company has no deferred expenses other than those related to its mining properties and explorations & evaluation assets.

The office and general administrative expenses for the three-month ended September 30, 2014 as well as the same period for the previous year are composed of the following expenses:

Rent, office and other expenses for the three-month periods ended September 30		
	2014 ($)	2013 ($)
Office supplies and mailing	2,067	1,741
Insurances, taxes and permits	5,912	6,402
Office expenses and equipment	467	2,578
Telecommunications	872	768
Training, HR activities and other adjustments or expenses	50	(585)
Total	**9,368**	**10,904**

Financing sources

The financing sources for the last 8 quarters and up to the date of this report are listed in the following table:

[*Remainder of the page intentionally left blank*.]

Date	Type	Financings	Amount ($)	Use of proceeds
June 30, 2014	Private placement	Common shares	405,000	**Purpose:** General administrative expenses and mining properties acquisition. **Use of funds:** As at the date of this report, these funds have not yet been used.
June 11, 2014	Warrants exercised	Common shares	163,900	**Purpose:** General administrative expenses and mining properties acquisition. **Use of funds:** As at the date of this report, approximately 50% of these funds have been used by the Company as expected.
May 16, 2014	Warrants exercised	Common shares	44,000	**Purpose:** General administrative expenses and mining properties acquisition. **Use of funds:** As at the date of this report, these funds have been used by the Company as expected.
February 10, 2014	Warrants exercised	Common shares	88,000	**Purpose:** General administrative expenses and mining properties acquisition. **Use of funds:** As at the date of this report, these funds have been used by the Company as expected.
February 7, 2014	Private placement	Common shares	200,000	**Purpose:** General administrative expenses and mining properties acquisition. **Use of funds:** As at the date of this report, these funds have been used by the Company as expected.
December 23, 2013	Brokered private placement	Common shares	50,400	**Purpose:** General administrative expenses. **Use of funds:** Between December 23, 2013 and December 31, 2013, this amount was fully allocated to pay the financing costs related to this financing. This is in line with the expected use of funds.
		Flow-through shares	201,600	**Purpose:** Exploration work on the properties owned by the Company. **Use of funds:** Between December 23 and September 30, 2014, this amount was fully allocated and used for exploration work on the Company properties. As at September 30, 2014, there is no balance to be used by the Company for exploration related to this financing. This is in line with the expected use of funds.

Date	Type	Financings	Amount ($)	Use of proceeds
November 20, 2013	Warrants exercised	Common shares	220,000	**Purpose:** General administrative expenses and mining properties acquisition. **Use of funds:** As at the date of this report, these funds have been used by the Company as expected.
December 14 and 20, 2012	Brokered private placement	Common shares	1,463,800	**Purpose:** General administrative expenses and mining properties acquisition. **Use of funds:** Between December 14, 2012 and the date of this report, an amount of $387,859 was used to pay the financing costs related to this financing, while an amount of $682,126 was used or allocated for general administrative expenses. An amount of $120,000 was used to acquire a 50% undivided interest in two (2) mining concessions and eleven (11) mining claims comprised in the Simkar property, located in the province of Québec, Canada and 8,000,000 shares in the capital of the seller valued at the transaction date at $0.015 per share and was accounted for as marketable securities available-for-sale financial assets. Furthermore, a total amount of $99,551 was used by the Company mainly to renew mining claims and acquired 4 more properties, namely Belcourt, Bel-rive, Lac Tavernier and Tex-sol. A total amount of $161,587 was used in order to acquire 99.99% of the shares of the Company X-Ore Resources while a total of $12,677 was used in the transaction with Critical Element Corporation. This is in line with the expected use of funds.
		Flow-through shares	1,647,200	**Purpose:** Exploration work on the properties owned by the Company. **Use of funds:** Between December 14, 2012 and December 31, 2013, the total amount of $1,647,200 was used for exploration work on the Company properties. This is in line with the expected use of funds.

SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Basis of presentation

(A) STATEMENT OF COMPLIANCE:

These unaudited consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a basis consistent with those accounting policies followed by the Company in the most recent audited annual financial statements except where noted below. These unaudited consolidated condensed interim financial statements have been prepared under IFRS in accordance with IAS 34, *Interim Financial Reporting*. Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with IFRS has been omitted or condensed. Accordingly, these unaudited consolidated condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements and the notes thereto for the year ended June 30, 2014. On November 27, 2014, the Board of Directors approved, for issuance, these consolidated condensed interim financial statements.

(B) BASIS OF MEASUREMENT:

The consolidated condensed interim financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value through other comprehensive income.

The consolidated condensed interim financial statements have been prepared on a going concern basis, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

(C) FUNCTIONAL AND PRESENTATION CURRENCY:

These consolidated condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

(D) USE OF ESTIMATES AND JUDGMENTS:

The preparation of the consolidated condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

- In preparing these consolidated condensed interim financial statements, the significant judgments made by management applying the Company accounting policies and the key sources of estimation uncertainty were the same as those described in the Company's audited annual financial statements for the year ended June 30, 2014.

Significant accounting policies:

These consolidated condensed interim financial statements have been prepared following the same accounting policies used in the audited financial statements for the years ended June 30, 2014 except as noted below:

(A) New standards, interpretations and amendments not yet effective :

The following new standards, interpretations and amendments have been issued but are not yet effective and therefore have not been applied in preparing these financial statements:

IFRS 9, *Financial Instruments*:

On July 24, 2014 the IASB issued the complete IFRS 9 (IFRS 9 (2014)). In November 2009 the IASB issued the first version of IFRS 9, Financial Instruments (IFRS 9 (2009)) and subsequently issued various amendments in October 2010, (IFRS 9 Financial Instruments (2010)) and November 2013 (IFRS 9 Financial Instruments (2013)).

The mandatory effective date of IFRS 9 is for annual periods beginning on or after July 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.

IFRS 9 (2010) introduces additional changes relating to financial liabilities.

IFRS 9 (2013) includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship.

Special transitional requirements have been set for the application of the new general hedging model.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. The final standard also amends the impairment model by introducing a new ‘expected credit loss’ model for calculating impairment, and new general hedge accounting requirements.

The Company does not intend to early adopt IFRS 9 (2009), IFRS 9 (2010) or IFRS 9 (2013) and/or IFRS 9 (2014).

(B) NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED:

Amendments to IAS 32, *Offsetting Financial Assets and Liabilities*:

In December 2011, the IASB published *Offsetting Financial Assets and Financial Liabilities*. The effective date for the amendments to IAS 32 is annual periods beginning on or after January 1, 2014. These amendments are to be applied retrospectively.

The amendments to IAS 32 clarify that an entity currently has a legally enforceable right to set off if that right is:

- not contingent on a future event; and

- enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The amendments to IAS 32 also clarify when a settlement mechanism provides for net settlement or gross settlement that is equivalent to net settlement.

IAS 32 did not have an impact on the consolidated condensed interim financial statements.

IFRIC 21, *Levies*:

In May 2013, the IASB issued IFRIC 21, *Levies*. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014 and is to be applied retrospectively.

IFRIC 21 provides guidance on accounting for levies in accordance with the requirements of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It also notes that levies do not arise from executor contracts or other contractual arrangements.

The interpretation also confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs.

IFRIC 21 did not have an impact on the consolidated condensed interim financial statements.

FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of short-term financial assets and liabilities, which include cash and cash equivalents, sales tax receivable, term deposit, other receivables and deposits and accounts payable and accrued liabilities approximate their fair value due to the immediate or short-term maturity of these financial instruments.

RISK EXPOSURE AND MANAGEMENT

The Company is exposed to a certain amount of risks at different levels. The type of risk and the way the exposure is managed are described hereafter.

(i) **MARKET RISK:**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash equivalents bear interest at a fixed rate of 1.25% per year. In relation with those items, there is no exposure to fair value variation due to the fact that they are redeemable at any time. The other financial assets and liabilities of the Company as at the financial statement date do not represent interest risk because they are without interest. The Company does not use financial derivatives to decrease its exposure to interest risk.

Currency risk:

The Company is not exposed to currency fluctuations as all transactions up to now have occurred in Canadian dollars, which is the functional currency of the Company.

(ii) **CREDIT RISK:**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash and cash equivalents and the carrying amount of these financial assets represents the Company's maximum exposure to credit risk as at the date of the financial statements. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

(iii) **LIQUIDITY RISK:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they fall due.

The Company manages liquidity risk through the management of its capital structure as outlined in Note 20 of its audited consolidated financial statements for the year ended June 30, 2014. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

As at September 30, 2014, all of the Company's financial liabilities had contractual maturities of less than one year and the Company had enough funds available to meet its current financial liabilities. At the same date, the Company had $917,054 in cash and cash equivalents not reserved for exploration ($1,131,607 as at June 30, 2014) plus $30,769 in sales tax receivables ($24,251 as at June 30, 2014) to meet its financial liabilities and future financial liabilities from its commitments. The Company has no more funds ($114,095 as at June 30, 2014) reserved for exploration as at June 30, 2014.

Properties titles

According to the mining law and regulations of the Province of Quebec, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the Québec government, a rent per claim, for every 2 year renewal period. Between the date of this MD&A and June 30, 2015, 86 claims will need to be renewed and will require exploration expenditures amounting to $54,217. The Company will also have to pay mining rights in the amount of $6,912 to the "Ministère des Ressources Naturelles et de la Faune", since it is the intention of the Company to renew the claims.

Additional financing

In the future, additional funds will be required to finance the exploration or development work on the Company's properties, to pay for the renewal of the claims forming the properties and to cover the costs of managing the Company. The main sources of funds available to the Company are the issuance of additional shares, the borrowing of money or the sale of interests in its properties. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company.

Conditions of the industry in general

The exploration and development of mineral resources involves significant risks that even an allied neat evaluation, combined with experience and know-how cannot avoid. Although the discovery of a deposit can prove to be extremely lucrative, only a few properties where exploration and development work are carried out become producing mines thereafter. Important expenditures are necessary to establish ore reserves, to work out the metallurgical processes and to build the mining plant on a particular site. It is impossible to provide assurance to the effect that the exploration and development programs contemplated by the Company will generate a profitable mine.

Economic viability of a mineral deposit depends on many factors, of which some are due to the particular characteristics of the deposit, in particular its size, its content and its proximity with the infrastructures as well as the cyclic character of the prices of metals and the governmental regulations, the royalties, the limits of production, the import and export of minerals and the protection of the environment. The impact of these factors cannot be evaluated in a precise way, but their effect can make so that the Company does not provide an adequate return of the funds invested.

The mining activities comprise a high level of risks. The activities of the Company are subject to all the dangers and the risks usually dependent on the exploration and the development, including the unusual and unforeseen geological formations, explosions, collapses, floods and other situations which can occur during drilling and the removal of material and of which any could cause physical or material or environmental injuries and, possibly, legal responsibility.

Governmental regulation

The activities of the Company are subject to various federal, provincial and local laws, which relate to the exploration and development, taxes, standards of work, diseases and the occupational safety, the safety in mines, toxic substances, the protection of the environment and others. The exploration and the development are subject to legislative measures and laws with the federal, provincial and local levels relating to the protection of the environment. These laws impose high standards on the mining industry, in order to control the rejects of waste water and to force the participants to account for such controls to the lawful authorities, to reduce or eliminate the impact that are generated by certain production activities; extraction and of treatment and which are later on deposited on the ground or are rejected into the air or the water, to complete work of restoration of the mining properties, to control dangerous waste and materials and to reduce the risk of industrial accidents. The defect to conform to the above-mentioned legislative measures can involve important fines and other penalties.

Risks of lawsuits and no insurable risks

The Company could be held responsible for pollution or for other risks against which it could not be insured or against which it could choose not to be insured, given the high cost of the premiums or for other reasons. The payment of sums in this respect could involve the loss of the assets of the Company.

Conflicts of Interest

Some of the directors and officers of the Company are engaged as directors or officers of other corporations involved in the exploration and development of mineral resources. Such engagement could result in conflicts of interest. Any decision taken by these directors and officers and involving the Company will be in conformity with their duties and obligations to compromise in an equitable way and in good faith with the Company and these other corporations. Moreover, these directors and officers will declare their interests and will abstain to vote on any question which could give place to a conflict of interest.

Permits, licences and authorizations

The activities of the Company require obtaining and maintaining permits and licences from various governmental authorities. The Company considers that it holds all the permits and licences required for its activities; it currently carries on, in accordance with the relevant laws and by-laws. Changes brought to the by-laws could affect these permits and licences. Nothing guarantees that the Company can obtain all the permits and all the necessary licences in order to continue its mining activities, to build mines or mining plants and to begin the exploitation of its exploration properties. Moreover, if the Company begins the exploitation of an exploration property, it will have to obtain the necessary permits and licences and to conform to all the required obligations concerning the use of water, removal of waste etc. It cannot be guaranteed that the Company will be able to obtain these permits and licences, nor that it will be able to conform to their requirements.

Dependence on the management

The Company is dependent towards certain persons of its management. The loss of their services could have an unfavourable impact on the Company.

Territorial claims

The properties in which the Company holds an interest are not currently subject to territorial claims on behalf of first nations. No assurance can however be provided to the effect that such will not be the case in the future.

Price of metals

The price of the common shares, financial results of the Company like its exploration and development activities; could undergo in the future, important negative effects because of the fall of the prices of metals, resulting in an impact on the capacity of the Company to finance its activities. The prices of metals fluctuate in an important way and are tributary to various factors which are independent of the will of the Company, such as the sale or the purchase of metals by various brokers, central banks and financial institutions, the rates of interest, foreign exchange rates, the rates of inflation, of deflation, the fluctuations in the value of the Canadian dollar and other currencies, the regional and world offer and demand, the economic conjuncture and policy which prevails in the countries of the world which are large metal producers. The prices of metals largely fluctuated these last years and any serious fall could prevent the continuation of the development activities of the properties of the Company.

Tax risks

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors. In such an event, the Company will indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the qualifying expenditures as agreed.

Additional Information and Continuous Disclosure

This MD&A was prepared as of the date shown in the header of this document. Additional information relating to the Company, including the technical reports mentioned herein and the Company’s Proxy Circular can be found on the website www.sedar.com and on our website at www.monarquesresources.com.

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STOCK EXCHANGE
TSX Venture Exchange
Symbol: **MQR** for the shares and **MQR.WT** for the warrants issued in December 2012

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