Management's Discussion and Analysis of Operations
For the Three Months ended December 31, 2013 and 2012

This Management's Discussion and Analysis ("MD&A) is prepared as March 3, 2014 and should be read in conjunction with the audited annual financial statements of Monarch Energy Limited ("Monarch' or "Company") for the year ended September 30, 2013, and which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information, including the Annual Information Form can be found on SEDAR, www.sedar.com. All amounts are in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Caution Regarding Forward Looking Statements

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- *The Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic resources;*
- *Management's economic outlook regarding future trends;*
- *The Company's ability to meet its working capital needs at the current level in the short term;*
- *Expectations with respect to raising capital;*
- *Sensitivity analysis on financial instruments may vary from amounts disclosed; and*
- *Governmental regulation and environmental liability.*

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

General

Monarch Energy Limited is a Canadian publicly listed public company whose shares trade on the TMX Venture Exchange under the symbol "MNL".

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets.

Results of Operation

On December 20, 2013, the Company has entered into a share exchange agreement with ChroMedX Ltd.. ("ChroMedX") and ChroMedX Inc. pursuant to which the Company has agreed to acquire from the ChroMedX shareholders all of the issued and outstanding shares of ChroMedX in exchange for an equal number of common shares in the capital of the Company. It is expected, and as a condition of completion of the acquisition, that ChroMedX will be the registered holder of certain patents and patents pending in the biomedical technology field currently held by ChroMedX Inc..

ChroMedX is a private company incorporated pursuant to the laws of Ontario. Concurrent with or prior to completion of the acquisition, the Company will consolidate its common shares on a 10:1 basis as previously approved by the Company shareholders at the annual general and special meeting held on July 18, 2013, such that following completion of the acquisition the

Company will have issued a maximum of up to 28.5 million common shares in the capital of the Company to ChroMedX shareholders for all of the issued and outstanding common shares of ChroMedX. This will result in former ChroMedX shareholders holding approximately 73.37% of the issued and outstanding common shares of the Company and, accordingly, ChroMedX becoming a wholly owned subsidiary of the Company following completion of the acquisition.

In connection with and as a condition of completion of the acquisition, the Company will seek to obtain a listing of its common shares on the Canadian National Stock Exchange ("CNSX") and concurrently apply for a delisting of its common shares from the facilities of the TSX Venture Exchange ("TSX-V"). It is expected that the Company will delist from the TSX-V concurrent with the listing on the CNSX so that there is no gap in a trading market for the common shares. The Company has requested the TSX-V to halt the trading of its common shares in anticipation of the Company obtaining approval from the CNSX with respect to the listing on the CNSX.

In order to satisfy certain conditions of the acquisition, among other things, ChroMedX will be required to complete a private placement financing totaling a minimum of $600,000 and a maximum of $1.2 million through the issuance of 12 million units of ChroMedX at a price of $0.10 per unit. Each unit will consist of the following: one ChroMedX common share; one-half common share purchase warrant, each whole warrant entitling the holder to acquire one ChroMedX common share at an exercise price of $0.15 for a period of 12 months following issuance of the warrant; and one-half common share purchase warrant, each whole warrant entitling the holder to acquire one ChroMedX common share at an exercise price of $0.25 for a period of 18 months following issuance of the warrant. The ChroMedX common shares, and any common shares to be issued on exercise of the warrants, will be subject to a four month hold period commencing from the date of issuance. The completion of the acquisition is conditional upon, among other things, the receipt of all necessary TSX-V, CNSX and shareholder approvals, the private placement being completed, and satisfaction of customary due diligence investigations of the Company and ChroMedX. In addition, it is anticipated that all outstanding stock options of the Company will be cancelled prior to completion of the acquisition.

Selected quarterly Information

The following table sets forth selected financial information for Monarch for the three months ended December 31, 2013 and 2012. This information has been derived from the Company’s financial statements for each of those quarters, and should be read in conjunction with those financial statements and the notes thereto.

	Three months ended December 31,	
	2013	**2012**
Petroleum revenues, net of royalties	nil	$ 3,348
Petroleum and natural gas related expenses	nil	$ 3,385
Office, general and administrative	$4,659	$ 3,484

Gain (loss) for the year	$14,627	$ (34,737)
Loss per share	$0.00	$ 0.00
Total assets	$81,495	$ 90,944
Total Liabilities	$187,175	$ 71,759
Working capital (deficiency)	$(154,269)	$ (10,164)

Per share amounts are calculated using the weighted have not been calculated, as they would be anti-dilutive.
average number of shares outstanding. Fully diluted loss per share amounts

Revenue and Expenses

For the three months ended December 31, 2013

The net income (loss) for the three months ended December 31, 2013 was 14,627 ($0.00/share) compared to net loss for the three months ending December 31, 2012 of ($34,737) ($0.00/share).

Petroleum and natural gas revenues decreased to $nil for the three months ended December 31, 2013 from $3,348 revenue for the three months ended December 31, 2012. The revenue was generated from its Alberta interests that were sold during the previous year. No other revenue is to be expected.

Loss from operations increased to $14,522 for the three months ended December 31, 2013 from $34,707 for the three months ended December 31, 2012.

Office, general, and administrative increased $1,175 to $4,659 for the three months ended December 31, 2012. The increase was inline with the previous quarter ending December 31, 2012.

Management fees are for the President at the rate of $3,500 per month to total $10,500 for the three months ended December 31, 2013 and 2012.

Consulting fees for the three months ending December 31, 2013 and 2012 were consistent at $23,000.

Professional fees increased for the three months ended December 31, 2013 from the three months ended December 31, 2012 by $11,433 to $11,707 primarily as a result of activity in evaluating alternative business activities .

Summary of Quarterly Results

The following table is a summary of selected unaudited financial information for the eight most recent fiscal quarters.

Quarter ended	Petroleum and natural gas revenue, net of royalties	Net income (loss)	Net income (loss) per share
December 31, 2013	Nil	$ (14,627)	$ (0.00)
September 30, 2013*	Nil	$ (41,537)	$ (0.00)
June 30, 2013*	Nil	$ (40,016)	$ (0.00)
March 31, 2013*	Nil	$ (57,969)	$ (0.00)
December 31, 2012	$ 3,348	$ (34,707)	$ (0.00)
September 30, 2012*	$ 115,669	$ 275,476	$ (0.00)
June 30, 2012*	$ 10,355	$ (57,927)	$ (0.00)
March 31, 2012*	$ 7,916	$ (77,491)	$ (0.00)
*IFRS reporting			Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

There can be significant variances in the Company's reported loss from quarter to quarter arising from factors that are difficult to anticipate in advance or to predict from past results. One of these factors includes the volatility of petroleum and natural gas prices, which have fluctuated widely during recent years

Liquidity

Although the Company has some petroleum revenue in the past, the majority of financing of operations is achieved by issuing share capital. At the three months ended December 31, 2013, the Company had a bank position of $2,535 (September 30, 2013 - $9,574), GST/HST receivable of $1,202 (September 30, 2013 – $(2,154) and accounts receivable of $315 (September 30, 2013 - $315). The Company has accounts payable relating to administrative activities in the amount of $64,931 (September 30, 2013 - $50,722) and due to related parties in the amount of $77,390 (September 30, 2013 - $119,964). The Company had a negative working capital of ($154,269) at December 31, 2013 (September 30, 2013 - $162,951).

Capital Resources

The Company's primary capital assets at December 31, 2013 are its reclamation bonds of $47,884 (September 30, 2013 - $41,894) and property and equipment of $705 (September 30, 2013 - $750).

Financing Activities

The Company was not involved in any financing activities during the three months ended December 31, 2013.

Investing Activities

The Company was not involved in any financing activities during the three months ended December 31, 2013.

Off-Balance Sheet Arrangements

At the date of this report, the Company had no material off-balance sheet arrangements

Transactions with Related Parties

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	December 31, 2013	December 31, 2012
Short-term benefits*	$ 33,500	$ 28,500

*includes base salaries pursuant to contractual employment, or consultancy arrangements. These have been recorded in consulting fees and management fees.

There were no transactions with other related parties during the period ended December 31, 2013.

As at December 31, 2013, amounts due to related parties consist of $74,025 (September 31, 2013 - $119,964) to companies controlled by officers and directors of the Company.

During the period ended December 31, 2013, the Company has negotiated with certain directors and an officer of the Company for the forgiveness agreement with one of its creditors. The outstanding indebtedness of the Company was reduced in the amount of $67,000.

Events After Quarter End

Nil

Critical Accounting Policies and Estimates

Going concern

These unaudited interim financial statements have been prepared in accordance with IFRS 1 and IAS 34 on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses from inception and the inability to raise additional financing may impact the future assessment of the Company as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available in the future. These financial statements do not include any adjustments to the amounts and classification of asset's and liabilities that might be necessary should the Company not be able to continue as a going concern.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of carrying value of resource properties, warrants, stock-based compensation, and deferred tax assets and liabilities. Financial results as determined by actual events could differ from those estimates.

Risks and Uncertainties

The Company has no significant source of operating cash flow and no revenue from operations. The Company has not determined whether its resource properties contain reserves that are economically recoverable. The Company has limited financial resources.

The Company may be subject to risks which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

Environmental Risks and Hazards

All phases of Monarch's exploration operations are subject to environmental regulations in the jurisdictions it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Monarch's operations. Environmental hazards may exist on the properties on which Monarch holds interests, which are unknown to Monarch at present and which may have been caused by previous or existing owners or operators of the properties. Monarch may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently and may in the future be required in connection with Monarch's operations. To the extent such approvals are required and not obtained; Monarch may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities which may cause operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on Monarch and cause increases in exploration expenses, capital expenditures and production costs. They may also cause a reduction in levels of production at producing properties or they may require abandonment or delays in development of new properties.

While all steps will be taken to prevent discharges of pollutants into the environment, Monarch may become subject to liability for hazards against which it cannot be insured. The Company is subject to all environmental acts and regulations at the federal and provincial levels.

To the Company's knowledge, there are no liabilities to date which relate to environment risks or hazards.

Evaluation of Disclosure Controls

As required by Multilateral Instrument 52-109, management carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of December 31, 2013. These controls continue to be monitored regularly and in the future, an independent party will be engaged to test these controls. Based on the current evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company to satisfy its continuous disclosure obligations, and are effective in ensuring that information required to be disclosed in reports that the Company files is accumulated and communicated to management as appropriate to allow for timely decisions regarding required disclosure. These comments are made within the context that the Company is a small business and as such there is little segregation of duties.

Corporate Governance Matters

Monarch has an independent audit committee and a compensation committee that meets periodically as required to review and approve financial statements and to approve management compensation.

Share Data

The following sets forth the outstanding securities of the Company as at December 31, 2013:

The authorized capital of the Company consists of an unlimited number of common shares

(a) Common Shares – 101,851,860
(b) Stock Options – 5,000,000
(c) Warrants – Nil

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.monarchenergy.ca and by assessing the Company's public documents filed on SEDAR at www.sedar.com

Signed

"Alex Falconer"
CFO
March 3, 2014