

Management's Discussion and Analysis of Operations For the three and six month period ending June 30, 2014

This Management's Discussion and Analysis ("MD&A") is prepared as August 29, 2014 and has been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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 directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meet 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

This document contains forward looking statements, such as statements regarding future sales opportunities in various global regions and financing initiatives that are based on current expectations of management. These statements involve uncertainties and risks, including Monarch Energy Limited's (Monarch or the Company) ability to obtain and/or access additional financing with acceptable terms, and delays in anticipated product sales. Such forward-looking statements should be given careful consideration and undue reliance should not be placed on these statements.

The preparation of Management's Discussion and Analysis (MD&A) may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management bases estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the accounting policies, outlined in the Significant Accounting Policies section of its consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Introduction

The following MD&A for the three and six months ended June 30, 2014 has been prepared to help investors understand the financial performance of Monarch in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

All amounts are expressed in Canadian dollars (CAD) unless otherwise noted.

Additional information about Monarch, this document, and the related quarterly financial statements can be viewed on the Company's website at www.chromedX.com and are available on SEDAR at www.sedar.com.

The financial reporting periods of Monarch were the reporting periods of ChroMedX which had a December 31 year end. Monarch has decided to change its year end to September 30 to coincide with the year end of the reporting issuer prior to completion of the Transaction. As such, the first financial year end for Monarch following the Transaction will be September 30, 2014, being the transition year.

Results of operation

On June 30, 2014, the Company completed a transaction which resulted in the acquisition of ChroMedX, a company incorporated under the laws of Ontario on December 3, 2013. As the former ChroMedX shareholders ended up owing the majority of the Company upon completion of the transaction, the transaction was deemed to be a reverse takeover.

The share capital of the Company and ChroMedx is as follows:

	Monarch	ChroMedX	Adjustments related to the RTO	Combined
Common shares	101,851,860	9,675,100	(96,759,267)	14,767,693
Dollars	\$ 19,466,341	\$ 607,501	\$ (19,002,812)	\$ 1,071,030
Shares issued for patent transfer	-	15,000,000	-	15,000,000
Dollars	\$ -	\$ 1,365,300	\$ -	\$ 1,365,300
Warrants	-	6,675,000	-	6,675,000
Fair value on warrants	\$ -	\$ 127,439	\$ -	\$ 127,439

In accordance with IFRS 3, Business Combination, the substance of the transaction is a reverse takeover of a nonoperating company. The transaction does not constitute a business combination as the Company does not meet the definition of a business under the standard. As a result, the transaction is accounted for as an acquisition of a stock exchange listing with ChroMedX being identified as the acquirer and the equity consideration being measured at fair value.

The cost of the transaction for the period ended June 30, 2014, was calculated as follows:

5,092,593 common shares acquired (1:20 consolidation)	\$	463,529
Other net liabilities assumed		156,469
Transaction costs		45,596
	\$	<u>665,594</u>

Chromedx Ltd. (“ChroMedX” or the “Company”) is a 100% owned subsidiary of Monarch.

ChroMedX, following the acquisition of the Patents (as defined and described below from Invidx Corp. (“Invidx”) (formerly ChroMedX Inc.), is developing novel medical devices for Point of Care Testing (POCT), blood sample collection, and serum/plasma treatment and analysis. Based on previous devices and numerous patents, both issued and applied for, developed by Dr. James Samsoumar, a clinical biochemist, the devices represent disruptive technologies for the POCT and In Vitro Diagnostic (IVD) market.

The Company will have two platform technologies. The initial platform will focus on devices and methodologies for blood sample collection and analysis. The analysis of the oxygen carrying state of hemoglobin in the blood is known as CO-oximetry. It is a critical measurement of a patient’s condition. As well as determining if there is oxygen deficiency at the tissue level CO-oximetry determines the degree of any carbon monoxide poisoning (carboxy-hemoglobin) that may be affecting the patient. In addition, measurement of methemoglobin will indicate if a patient has been exposed to certain environmental toxins containing nitrates and is also used to monitor certain neonatal treatments. Thus rapid analysis of hemoglobin status and blood oxygenation as well as acid/base balance and electrolyte levels is an essential tool for patient evaluation. This information is of particular importance for first responder patient evaluation and in emergency and operating rooms in healthcare facilities. A hand-held device for measuring CO-oximetry, blood gases (including pH) and electrolytes represents the initial projects based upon the first technology platform. Additional devices based on the same platform will provide innovative measurement techniques for neonatal bilirubin analysis and other blood chemistry markers.

The second technology platform is based on ultrafiltration and will be applied to several applications. The first will provide plasma separation from whole blood during blood collection which avoids the step of centrifugation in the laboratory. The second application will process plasma to remove proteins in preparation for analysis. The Company’s plasma/serum ultrafiltration technology will provide the next innovation in measurement of free hormones and therapeutic drugs using existing laboratory immunoanalysers, but with reduced sample preparation time and cost. Proof of concept for this technology has been demonstrated.

The Company will develop its technologies in collaboration with major hospitals and universities and will seek strategic relationships with existing medical diagnostic companies, as well as companies that desire to enter into the field of medical diagnostics.

ChroMedX Ltd. is led by an experienced management team, all of whom have advanced technical training and past start-up experience. A full suite of patents has been developed and these have either been granted by the USPTO or have been filed. Appropriate PCT filings for the patents are being executed, which enable worldwide protection of the ChroMedX’s intellectual property.

Selected quarterly Information

The following table sets forth selected financial information for Chromedx Ltd. for the three and six months ended June 30, 2014. This information has been derived from Company's financial statements for the quarters and should be read in conjunction with financial statement and the notes thereto.

	For the three months ended June 30, 2014	For the six months ended June 30, 2014
Income	nil	nil
Expenses	\$880,100	\$896,961
(Loss) for the year	\$880,100	\$(896,961)
Loss per share	\$(5.32)	\$(5.42)
Total assets	\$1,696,624	
Total Liabilities	\$157,254	
Working capital	\$125,374	

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

Revenue and Expenses

For the quarter ending June 30, 2014.

The net income (loss) for the quarter ending June 30, 2014 was (\$880,100)(\$5.32/share).

Consulting fees were \$78,000 due to the hiring of a management team, including the President (under management fees of \$70,000). Administration expenses were \$99,000. Mainly due to outside contractors. The largest expense for the quarter was the RTO listing expense of \$665,594. This expense was calculated as follows:

5,092,593 common shares acquired (1:20 consolidation)	\$	463,529
Other net liabilities assumed		156,469
Transaction costs		45,596
	<u>\$</u>	<u>665,594</u>

Summary of Quarterly Results

The following table is a summary of selected unaudited financial information for the three most recent fiscal quarters. Since the Company was incorporated December 3, 2013, there are only three reporting periods

Quarter ended	Income	Net income (loss)	Net income (loss) per share
June 30, 2014	Nil	\$ (880,100)	\$ (5.32)
March 31, 2014	Nil	\$ (16,450)	\$ (164.50)
December 31, 2013	Nil	\$ (410)	\$ (4.10)
*IFRS reporting			Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

There can be significant variances in Company's reported loss from quarter to quarter arising from factors that are difficult to anticipate in advance or to predict from past results.

Liquidity

The majority of financing of current operations is achieved by issuing share capital. At the quarter ending June 30, 2014, Company had cash of \$213,083, GST/HST receivable of \$35,376 and amounts receivable of \$5,315. The Company has accounts payable of \$114,937. Company had a positive working capital of \$125,374 at June 30, 2014.

In June 2014, the Company completed a private placement of 3,000,000 shares at a price of \$0.02 per share for aggregate proceeds of \$60,000.

In June 2014, the Company completed a second private placement of 1,500,000 units at a price of \$0.02 per unit for aggregate proceeds of \$30,000. Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of \$0.15 per a common share for a period of 18 months from the date of issuance.

In June 2014, the Company completed a third private placement of 5,175,000 units at a price of \$0.10 per unit for aggregate proceeds of \$517,500. Each unit consist of one common share of the Company and one-half common share purchase warrant with each warrant entitles the holder thereof to acquire one common share at a price of \$0.15 per a common share for a period of 12 months from the date of issuance and one-half common share purchase warrant with each warrant entitles the holder thereof to acquire one common share at a price of \$0.25 per a common share for a period of 24 months from the date of issuance.

In June 2014, the Company issued 15,000,000 shares for Patents and Patents pending relating to the technology valued at \$1,365,300.

Investing Activities

Company was involved in the acquisition of ChromedX, which ChromedX, as the acquirer, acquiring the assets of Monarch Energy Limited during the three months ended June 30, 2014.

Off-Balance Sheet Arrangements

The Company has not entered into any off balance sheet arrangements, other than previously disclosed, that has, or is reasonably likely to have, an impact on the current or future results of operations or the financial condition of our company.

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:

	June 30, 2014	June 30, 2013
Short-term benefits*	\$ 78,000	\$ 84,000
Legal fees were charged by an officer for legal and corporate secretarial services	\$ 55,117	\$ -

*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 June 30, 2014.

As at June 30, 2014, amounts due to related parties consist of \$13,463 to companies controlled by officers and directors of the Company.

Events After Quarter End

Subsequent to quarter end, Company has granted an aggregate of 2.95 million options to purchase common shares of Company, exercisable at a price of 10 cents per share and expiring on July 9, 2019, to certain directors, officers and consultants of Company. The common shares issuable upon exercise of the options are subject to a four-month hold period from the original date of grant.

The Company has also appointed Mike Minder to the board of directors.

The Company has begun development of the prototypes for both platform technologies. Aline Inc., of Rancho Dominguez, CA, with proven expertise in microfluidics, has been engaged as prime contractor for manufacture of the HemoPalm prototype. Other contractors with knowledge in other specific technical areas applicable to the HemoPalm have also been engaged.

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 Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Company has incurred losses from inception and the inability to raise additional financing may impact the future assessment of Company as a going concern. 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 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 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

History of Losses – The Company has been in a cumulative net loss position throughout its operating history. The Company's limited operating history makes it difficult to evaluate the future financial prospects of its business. There is no assurance that the Company will grow or be profitable or that the Company will have earnings or significant improvement in its cash flow from operations in the future. The future earnings on and cash flow from operations are dependent on the Company's ability to further develop and sell its products and the Company's operational expenses. Management expects that the Company will continue to have high levels of operating expenses, since the Company needs to make significant up-front expenditures for product development, and corporate development activities. Management anticipates that the operating losses for the Company may continue until such time as the Company consistently generates sufficient revenues to support operations.

Need for Additional Financing - The implementation of the Company's business plan requires significant capital outlays and operating expenditures over the next several years. There can be no assurance that additional financing will be available to the Company when needed, on commercially reasonable terms, or at all. Any inability to obtain additional financing when needed would have a material adverse effect on the Company. Further, any additional equity financing may involve substantial dilution to the Company's then existing shareholders. Debt financing, if available, may involve onerous obligations, monetary or otherwise. If adequate funds are not available, the Company may obtain funds through arrangements with strategic partners or others who may require the Company to relinquish rights to certain technologies, any of which could adversely affect its business, financial condition and results of operations.

Product Risks

Uncertain Demand for Products - Demand for medical technologies is dependent on a number of social, political and economic factors that are beyond the control of the Company. The healthcare industry is likely to continue to change as the public, government, medical practitioners, and the medical industries focus on ways to expand medical coverage while controlling the growth in healthcare costs. While the Company believes that demand for medical technologies will continue to grow, there is no assurance that such demand will exist or that the Companies products will be purchased to satisfy that demand.

Dependence on Development of New Products - New technological or product developments in the medical industry may render the Company's products obsolete or reduce their value. The Company's future prospects are highly dependent on its ability to develop new products - from new technologies and achieve market acceptance. There can be no assurance that the Company will be successful in these efforts.

Share Data

The following sets forth the outstanding securities of Company as at June 30, 2014:

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

Common Shares and warrants–

At during of the quarter the Company consolidated their shares on a 1:20 basis leaving 5,092,593 shares

In June 2014, the Company completed a private placement of 3,000,000 shares at a price of \$0.02 per share for aggregate proceeds of \$60,000.

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In June 2014, the Company issued 15,000,000 shares for Patents and Patents pending relating to the technology.

As of June 30, 2014 there are 29,767,693 shares issued and outstanding and 6,675,000 warrants.

Options – there were no options issued during the quarter and 5,300,000 cancelled. As of June 30, 2014 there are no options outstanding. Subsequent to the quarter end, the Company issued 2,950,000 incentive options to officers, directors, consultants and employees. The options have a strike price of \$0.10 and expire July 9, 2019

Signed

“Wayne Maddever”

CEO

August 29, 2014