



**MONT ROYAL RESOURCES LIMITED
ACN 625 237 658**

Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held virtually via webinar
on Monday, 9 November 2020 at 4.00 pm (AEST).**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (02) 8651 7800.**

**SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON
HOWEVER WILL BE ABLE TO ATTEND VIRTUALLY VIA WEBINAR
REFER SECTION 2.5 FOR DETAILS**

Shareholders are urged to vote by lodging the proxy form attached to the Notice

Mont Royal Resources Limited
ACN 625 237 658
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Mont Royal Resources Limited will be held virtually via webinar on Monday, 9 November 2020 at 4.00pm (AEST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (**COVID-19**) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, Shareholders will not be able to attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions. Further information on how to participate in the Meeting is set out in the Explanatory Memorandum.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://montroyalres.com/> and the ASX announcement platform.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 7 November 2020 at 4.00pm (AEST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

'That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum.'

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Director – Mr Gary Lawler

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, in accordance with Articles 6.3(d) and 6.3(f) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Gary Lawler, a Director who was appointed on 15 October 2018, retires by rotation and, being eligible, is elected as a Non-Executive Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval to change in nature and scale of activities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the nature and scale of the Company's activities resulting from the Transaction, on the terms and conditions set out in the Explanatory Memorandum."

Resolution 4 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 13, by or on behalf of a counterparty to the Transaction that, of itself or together with one or more other transactions, will result in a significant change to the nature or scale of the Company's activities and any other person who will obtain a

material benefit as a result of the Transaction (except a benefit solely in the capacity of being a Shareholder) or an associate of those persons; and

- (b) Resolution 4, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person

who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'S Menezes', with a stylized flourish at the end.

Shaun Menezes
Company Secretary
Mont Royal Resources Limited
Dated: 9 October 2020

Mont Royal Resources Limited
ACN 625 237 658
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held virtually via webinar on Monday, 9 November 2020 at 4.00pm (AEST) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 3	Financial Statements
Section 4	Background to the Transaction
Section 5	Resolution 1 – Remuneration Report
Section 6	Resolution 2 – Re-election of Director – Mr Gary Lawler
Section 7	Resolution 3 – Approval to change in nature and scale of activities
Section 8	Resolution 4 – Approval of 10% Placement Facility
Schedule 1	Definitions

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

2.2 Proxies

All voting will be conducted by poll using proxy instructions received in advance of the Meeting. The poll will be conducted based on votes submitted by proxy and at the Meeting by

shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

The Directors instruct all shareholders who would like to have their vote counted to either:

- (a) vote by lodging a proxy form prior to 7 November 2020 at 4.00pm (AEST) (**Proxy CutOff Time**) (recommended); or
- (b) Shareholders who wish to participate and vote at the Meeting will be able to vote on each Resolution via online polling during the Meeting. Please refer to Section 2.5 below.

A Proxy Form is enclosed with this Notice. The Directors strongly encourage all Shareholders to lodge the Proxy Form to the Company or Share Registry in accordance with the instructions thereon.

Please note that:

- (i) a member of the Company entitled to vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

- (a) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);
- (ii) if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

- (b) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;

- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.3 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.4 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at info@montroyalres.com by 4pm AEST on 7 November 2020.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

2.5 Attending the Virtual Meeting

The Meeting will be accessible to all Shareholders via live webinar, which will allow Shareholders to listen to and observe the Meeting and ask questions in relation to the business of the Meeting. If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual Meeting here:

https://us02web.zoom.us/webinar/register/WN_EmLUqmbFTf6QXhv4LRQS1g

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the Annual General Meeting.

Voting Virtually

Shareholders who wish to vote virtually on the day of the meeting will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password.

Under section 5(1)(c) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, all votes that are submitted online will be taken on a poll via proxy or online voting. All resolutions will be decided on a poll.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the

steps. Shareholders will require their holder number (Shareholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

Shareholders who have an existing account with Automic are advised to take the following steps to attend and vote on the day of the Meeting:

- (a) Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
- (b) Once registration for the virtual Meeting is open, click on 'Meeting open for registration' and follow the steps.
- (c) Once live voting for the virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

3. Financial Statements

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' Report, the Remuneration Report, the Financial Report and the Auditor's Report.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://montroyalres.com/announcements/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Background to the Transaction

4.1 Existing activities of the Company

The Company was incorporated on 26 March 2018 for the purpose of pursuing various mining opportunities in the resources sector, with the aim of building shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities.

Since incorporation, the Company has acquired a 100% interest in four exploration licences in Western Australia, comprising the Edjudina Project. The tenements comprising the Edjudina Project are held in the name of the Company's wholly owned subsidiary, Mont Royal Exploration Australia Pty Ltd.

The Company's Board comprises of Gary Lawler, Michael O'Keeffe and Peter Ruse. The Company Secretary is Shaun Menezes.

4.2 Listing Rule 11.1.2

On 22 September 2020, the Company announced that it had entered into an agreement (**Earn-in and Joint Venture Agreement**) by which the Company will acquire up to an 70% interest in the Wapatik Gold-Copper Project (**Project**) from Azimut Exploration Inc (TSXV: AZM) (**Azimut**) (**Transaction**).

ASX has determined the Transaction comprises a significant change in the nature and scale of the Company's activities that:

- (a) requires the Company to seek Shareholder approval pursuant to Listing Rule 11.1.2;
- (b) does not require the Company to re-comply with chapters 1 and 2 of the Listing Rules pursuant to Listing Rule 11.1.3.

Resolution 3 seeks Shareholder approval for a change in the nature and scale of the activities of the Company pursuant to Listing Rule 11.1.2.

This Notice, amongst other things, sets out the Resolution necessary to complete the Transaction.

4.3 Key terms of the Earn-in and Joint Venture Agreement

- (a) First option

The Company shall have the sole and exclusive option to earn a 50% earned interest (**First Option**) by:

- (i) by making cash payments to Azimut aggregating C\$80,000; and
- (ii) by funding not less than C\$4,000,000 in exploration expenditures on the Project (**First Option Earn-In Expenditures**), of which the first C\$600,000 (**Initial Commitment**) shall constitute a firm commitment of the Company.

Subsequent to the Initial Commitment, MRZ will have the right not to proceed with the First Option. The First Option is set out below:

Period	Minimum First Option Earn-In Expenditures	Cash Payments
At the latest on the first (1 st) anniversary of the Effective Date	C\$600,000	C\$20,000
At the latest on the second (2 nd) anniversary of the Effective Date	C\$800,000	C\$20,000
At the latest on the third (3 rd) anniversary of the Effective Date	C\$1,200,000	C\$20,000
At the latest on the fourth (4 th) anniversary of the Effective Date	C\$1,400,000	C\$20,000
Total	C\$4,000,000	C\$80,000

(b) Second Option

The Company shall have the sole and exclusive right and option to earn up to an additional 20% earned interest, for an aggregate of up to 70% earned interest (**Second Option**), subject to the Company:

- (i) providing Azimut with a preliminary economic assessment with respect to the Project (**PEA**) at the latest on the third anniversary of the Second Option Election Notice (**Second Option Period**) (subject to a potential 3-year extension);
- (ii) making cash payments to Azimut aggregating C\$120,000; and
- (iii) funding not less than \$3,000,000 in exploration expenditures on the Project (**Second Option Earn-In Expenditures**) in accordance with the following:

Period	Minimum Second Option Earn-In Expenditures	Cash Payments
At the latest on the first (1 st) anniversary of the Second Option Election Notice	C\$1,000,000	C\$40,000
At the latest on the second (2 nd) anniversary of the Second Option Election Notice	C\$1,000,000	C\$40,000
At the latest on the third (3 rd) anniversary of the Second Option Election Notice	C\$1,000,000	C\$40,000
Total	C\$3,000,000	C\$120,000

If the Company decides not to exercise this additional option, it must pay Azimut C\$50,000 in cash as a final payment in respect of the First Option.

The period within which the Company must provide Azimut with the PEA may be extended for three subsequent consecutive periods of one year each upon the Company paying Azimut the sum of C\$100,000 per each such extension year and funding Second Option Earn-In Expenditures of at least C\$1,000,000 per each such extension year.

First Option Earn-In Expenditures exceeding the aggregate amounts of C\$4,000,000 in the First Option Period shall be credited to the Second Option Period and accounted as Second Option Earn-In Expenditures. Any claim renewal costs incurred by Azimut with respect to the Project during the Second Option Period will be accounted as Second Option Earn-In Expenditures.

Following the exercise and completion of the Second Option, Mont Royal will hold an aggregate of 70% earned interest in the Project. During the Second Option Period, a transfer of all or part of its interest in the Project by Azimut shall be subject to a 30 days right of first refusal in favour of the Company.

4.4 Overview of the Vendor and the Project

(a) Azimut Exploration Inc.

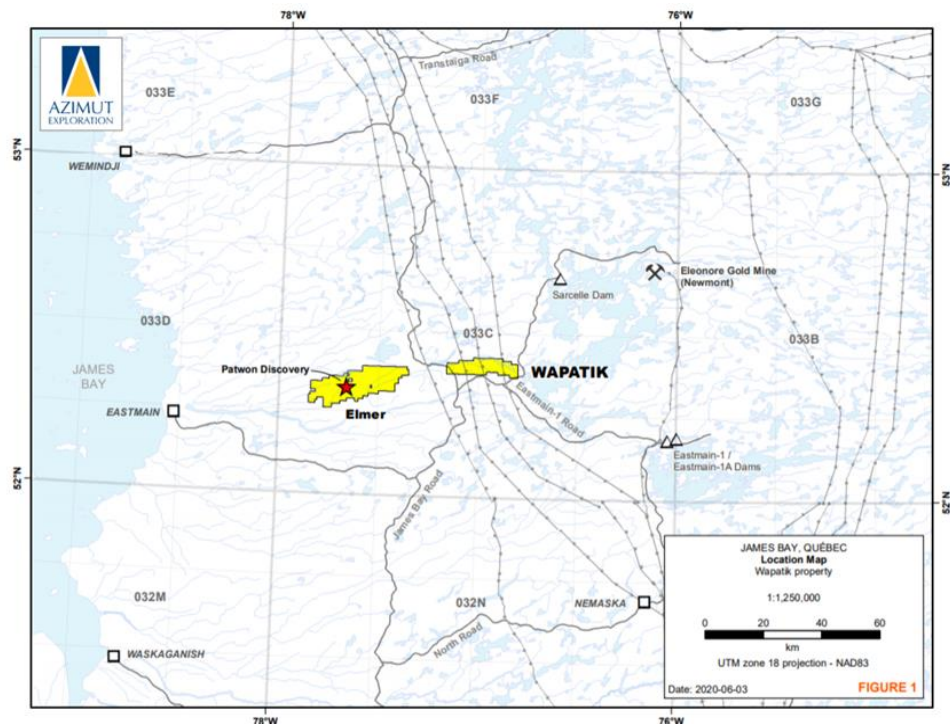
Azimut is a mineral exploration company whose core business is centred on target generation and partnership development. The Company uses a pioneering approach to big data analytics (the proprietary AZtechMine™ expert system) enhanced by extensive exploration know-how. Azimut maintains rigorous financial discipline and has 69.1 million shares outstanding. Azimut's competitive edge against exploration risk is founded on systematic regional-scale data analysis and multiple concurrently active projects. Azimut holds the largest mineral exploration portfolio in Quebec.

Further information is available at www.azimut-exploration.com

(b) Location, Access and Infrastructure

The Project is located in the James Bay-Eeyou Itchee region, with the James Bay and the Sarcelle roads crosscutting the property allowing year-round access. The project is 93 km east of the Eastmain airport, 58 km SW from the Eléonore Gold mine (Newmont Corporation NEM.US).

Figure 1: Location Map of the Wapatik Gold-Copper Project



The Project is also located within the "Société du Plan Nord" government plan that aims to contribute to maximizing the economic spinoffs generated by the development of the natural resources in this region.

Quebec ranks second to Ontario in terms of provincial gold production, with Quebec producing 33.7% of Canada's gold in 2018, at some 2.16 million ounces, led by Canada's largest producer, Agnico Eagle Mines, which has three producing mines in the province.

Significant amounts of exploration capital has been invested into Quebec explorers due to the regions combination of geological potential, legal certainty, supportive permitting environment, infrastructure and fiscal incentives.

Figures from Natural Resources Canada show that investment in exploration, deposit appraisal and mine complex development are projected to increase by 30% this year to C\$560.9 million, compared to \$432.4 million in 2019. The province of Quebec also invests directly in explorers through funds like Ressources Quebec, which manages a \$1 billion Natural Resources and Energy Capital Fund, Caisse du Depot, Sidex and the James Bay Investment Board.

(c) **Financial Effect of the Transaction**

There will be no significant change to the Company's financial position as a result of the Transaction. The Company intends to pay the Initial Commitment from its existing cash reserves.

As at 30 June 2020, the Company had cash reserves of approximately \$3,620,000. Following the payment of the Initial Commitment the Company anticipates it will have cash of approximately \$3,000,000.

(d) **Business Model**

The Company does not intend to change its business model as a result of the Transaction.

(e) **How does the Company intend to pay for the Transaction?**

The Company intends to pay the Initial Commitment from its existing cash reserves.

(f) **Changes to board and senior management**

The Company does not intend to make any changes to the Board and senior management as a result of the Transaction.

(g) **Proposed Timetable**

The Company's proposed exploration program at the Project will commence immediately following Shareholder approval, with the list of work programs to include but will not be limited to:

- (i) Heli-borne electro-magnetic survey to commence immediately;
- (ii) Follow up imagery/interpretation;
- (iii) Geo-chemical survey:
 - (A) Lake Bottom survey;
 - (B) Tills survey;
 - (C) Soils survey; and
 - (D) Reconnaissance prospecting;

- (iv) Ground Geophysics; and
 - (v) Drill location targeting/planning.
- (h) ASX takes no responsibility for the contents of the Notice.

5. **Resolution 1 – Remuneration Report**

Subsection 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The Company's Remuneration Report did not receive a Strike at the 2019 annual general meeting. If at least 25% of the votes cast on this Resolution are voted against adoption of the Remuneration Report at this Meeting, and at the Company's 2021 annual general meeting, the Company will be required to put to Shareholders at the second annual meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2021 annual general meeting. All of the Directors who were in office when the Company's 2021 Directors' Report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting, but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Resolution 1 is an ordinary resolution.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding Resolution 1.

6. **Resolution 2 – Re-election of Director – Mr Gary Lawler**

6.1 **General**

Article 6.3(d) of the Constitution requires that one Director must retire at each annual general meeting. Article 6.3(e) of the Constitution requires that the Directors to retire are those who have held their office as Director for the longest period since their last election or appointment to that office. In the event two or more Directors have held office for equal periods of time, the retiring Directors are to be determined by lot, unless otherwise agreed by those Directors.

Article 6.3(f) of the Constitution provides that a Director who retires in accordance with Article 6.3(d) is eligible for re-election.

As at the date of this Notice, the Company has three Directors and accordingly, one Director must retire.

Non-Executive Director, Mr Gary Lawler who was appointed as Non-Executive Director of the Company on 15 October 2018 and was re-elected last at the annual general meeting held on 29 November 2019, retires and seeks re-election in accordance with Listing Rule 14.4 and Article 6.3(f) of the Constitution.

If elected, the Board considers Mr Lawler to be an independent Director.

If Resolution 2 is passed, Mr Lawler will be appointed as a Non-Executive Director of the Company.

If Resolution 2 is not passed, Mr Lawler will not be appointed as a Non-Executive Director of the Company.

Details regarding Mr Lawler are set out in Section 6.2 below.

6.2 Background

Mr Lawler is a career lawyer having practiced for over 40 years primarily as a corporate/mergers and acquisitions lawyer.

During his years of practice, Mr Lawler has been a partner in several large Sydney based law firms and is currently a Senior Adviser at Ashurst Australia. Mr Lawler brings a wealth of legal and business experience to the Board. Mr Lawler has advised many listed companies and investment banks on a wide range of corporate transactions including hostile takeovers, takeover defences, agreed mergers and corporate reconstructions.

Mr Lawler has held board positions with Riversdale Resources Limited (unlisted), Cartier Iron Corporation (CNX:CFE), Dominion Mining Limited and Riversdale Mining Limited and is currently a director of Champion Iron Limited (ASX/TSX:CIA).

6.3 Board recommendation

Resolution 2 is an ordinary resolution.

The Directors (other than Mr Lawler) recommend Shareholders vote in favour of the re-election of Mr Lawler as he brings a wealth of business, corporate and legal experience to the board.

7. Resolution 3 - Approval to change in nature and scale of activities

7.1 General

Resolution 3 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the Transaction.

A detailed description of the Transaction is outlined in Section 4 above.

Resolution 3 is an ordinary resolution.

7.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential Earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has advised that it:

- (d) requires the Company to obtain the approval of its Shareholders for the proposed change of activities pursuant to Listing Rule 11.1.2; and
- (e) does not require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under Listing Rule 11.1.2.

Details of the Transaction and the proposed changes and operations of the Company are provided throughout this Explanatory Memorandum

7.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

The Chair intends to exercise all available proxies in favour of Resolution 3.

8. Resolution 4 – Approval of 10% Placement Facility

8.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed entity can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval by way of a special resolution passed at its annual general meeting, to allow it to issue Equity Securities totalling up to 10% of its issued capital through placements over a period up to 12 months after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

Resolution 4 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 8.1(a) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.1(b) below).

If Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The Board believes that this Resolution is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this resolution.

(a) What Equity Securities can be issued?

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue being:

- (i) 37,690,275 fully paid ordinary Shares.

In addition, the Company has on issue:

- (ii) 1,500,000 unquoted Options expiring 31 January 2022 and exercisable at \$0.25;
- (iii) 1,250,000 unquoted Options expiring 31 January 2022 and exercisable at \$0.30; and
- (iv) 1,250,000 unquoted Options expiring 31 January 2022 and exercisable at \$0.35,

(Unquoted Options).

(b) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval; and
- (iv) less the number of fully paid Shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(c) What is the interaction with Listing Rule 7.1?

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(d) At what price can the Equity Securities be issued?

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(e) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(f) **What is the effect of this Resolution?**

The effect of this Resolution will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

8.2 **Technical Information Required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) **Minimum Issue Price**

The Minimum Issue Price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date, the date on which the Equity Securities are issued.

If the Company issues Equity Securities for non-cash consideration under the 10% Placement Facility, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

(b) **Date of Issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period.

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below (in the case of Options, only if the Options are converted into Shares).

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.163 50% decrease in Current Market Price	\$0.325 Current Market Price	\$0.650 100% increase in Current Market Price
37,690,275 Shares Variable A	10% Voting Dilution	3,769,028 Shares	3,769,028 Shares	3,769,028 Shares
	Funds raised	\$612,467	\$1,224,934	\$2,449,868
56,535,413 Shares 50% increase in Variable A	10% Voting Dilution	5,653,541 Shares	5,653,541 Shares	5,653,541 Shares
	Funds raised	\$918,700	\$1,837,401	\$3,674,802
75,380,550 Shares 100% increase in Variable A	10% Voting Dilution	7,538,055 Shares	7,538,055 Shares	7,538,055 Shares
	Funds raised	\$1,224,934	\$2,449,868	\$4,899,736

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current Shares on issue are the Shares on issue as at 7 October 2020.
2. The current issue price set out above is the last price at which Shares were traded prior to 8 October 2020 (being \$0.325).
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Facility.
4. The issue of Equity Securities under the 10% Placement Facility consists only of Shares (it does not include Partly Paid Shares or Quotes Options even though those securities may be issued).

under the 10% Placement Facility). It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.

5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Shares on the date of issue or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

(d) Purpose of Issue under 10% Placement Facility

The Company may decide to issue Equity Securities under the 10% Placement Facility for cash consideration to raise funds for the purpose of advancing any of its projects and working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon any issue of Equity Securities under Listing Rule 7.1A.

(e) Allocation under the 10% Placement Facility

The allottees of the Equity Securities to be issued under the 10% Placement Facility have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be a related party or an associate of a related party of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Facility, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under Listing Rule 7.1A**

The Company obtained approval under Listing Rule 7.1A at its previous annual general meeting on 29 November 2019. In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued Equity Securities under Listing Rule 7.1A.

8.3 **Voting Exclusion**

A voting exclusion statement is included in the Notice. As at the date of this Notice, the Company has not invited any existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
AEST	means Australian Eastern Standard Time being the time in Sydney, New South Wales.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Article	means an article of the Constitution.
Azimut	means Azimut Exploration Inc.
Board	means the board of Directors.
Business	means the business carried on by the Company, including the business of acquiring, exploring, evaluating and exploiting mineral resource project opportunities.
Business Day	means a day on which banks are open for business in Sydney, New South Wales, other than a Saturday, Sunday or public holiday.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Mont Royal Resources Limited (ACN 625 237 658).
Completion	means completion of the Transaction in accordance with the Earn-in and Joint Venture Agreement.
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Earn-in and Joint Venture Agreement	means the conditional earn-in agreement and joint venture agreement, pursuant to which the Company may acquire up to an 70% interest in the Project from Azimut via an earn-in arrangement and enter into an unincorporated joint venture agreement with Azimut in relation to the Project as referred to in the announcement by the Company dated 22 September 2020.
Equity Security	has the same meaning as in the Listing Rules.
Equivalent	has the same meaning given by paragraph 50 of the JORC Code 2012
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
First Option	has the meaning given in Section 4.3(a).
First Option Earn-in Expenditures	has the meaning given in Section 4.3(a)(ii).
Initial Commitment	has the meaning given in Section 4.3(a)(ii).
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of annual general meeting.
PEA	means a preliminary economic assessment of the Wapatik Project.
Project	means the Wapatik Gold-Copper Project, located in James Bay area, in the tier 1 mining jurisdiction of Quebec, Canada as described in Section 4.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.

Second Option	has the meaning given in Section 4.3(b).
Second Option Period	has the meaning given in Section 4.3(b)(i).
Second Option Earn-in Expenditure	has the meaning given in Section 4.3(b)(ii).
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Spill Meeting	has the meaning given in Section 5.
Trading Day	has the meaning given in the Listing Rules.
Transaction	means the acquisition by the Company of an 70% interest in the Wapatik Gold-Copper Project (Project) from Azimut in accordance with the Earn-in and Joint Venture Agreement.
VWAP	means volume weighted average market price.



Mont Royal Resources Limited | ACN 625 237 658

Proxy Voting Form

If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **4.00pm (AEST) on Saturday, 7 November 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/loginsah>
or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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IN PERSON:

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