



MONT ROYAL RESOURCES QUARTERLY REPORT

31 DECEMBER 2020

Mont Royal Resources Limited (ASX:MRZ) ("Mont Royal" or the "Company") is pleased to provide an update on the Company's activities for the quarter ending 31 December 2020 ("Quarter", "Reporting Period").

During the Quarter, Mont Royal announced that the Company commenced its first winter fieldwork program at the Wapatik Gold-Copper Property (the "Project"), located in James Bay area, a tier 1 mining jurisdiction of Quebec, Canada.

Highlights

- **Novatema Inc. commenced high-resolution heliborne survey on Wapatik Gold-Copper Property.**
- **The survey aims to provide high-quality magnetic data in order to complete a structural analysis from geophysical, topographic, and remote sensing data.**
- **Association minière du Québec (AMQ) update on Mining & Exploration activities**
- **Mont Royal maintains a strong cash position of \$2.93m as at the end of the December quarter.**

Mont Royal Executive Director, Peter Ruse, commented: *"The December Quarter was an important period with the commencement of our exploration program at Wapatik, and Mont Royal was very pleased to initiate the winter fieldwork program via the high-resolution heliborne survey. We look forward to delivering the data and valuable interpretation from the program in due course."*

As previously released, the survey experienced minor delays during the Reporting Period due to poor weather and scheduled breaks for the holiday season. Mont Royal is pleased to inform shareholders that the survey is progressing well over the 115sq/km in continuous tenure at the Project, and once complete, the data will be compiled with a detailed interpretation to be carried out by the technical team at Azimut.

As detailed previously this first exploration phase will consist of:

- A very high-resolution heliborne magnetic survey totalling 2,530 line-kilometres on 25-metre spaced lines, which will cover the entire Property;
- An enhanced lithostructural interpretation supported by the results of the magnetic survey and remote sensing data;
- A systematic till sampling survey; and
- Focused prospecting to assess the best target zones.

Wapatik Gold-Copper Project

The Wapatik Gold Copper Property consists of 220 claims totalling 115sq/km in continuous tenure, and is located in the James Bay-Eeyou Istchee region, in the lower Eastmain Greenstone belt, part of the La Grande Sub-province of the Archean Superior Province, which has been subject to significant exploration activity.

CORPORATE DIRECTORY

Gary Lawler

Non-Executive Chairman

Peter Ruse

Executive Director

Michael O'Keeffe

Non-Executive Director

Shaun Menezes

Company Secretary

CONTACT DETAILS

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The region is host to the Éléonore gold mine (Newmont Corporation NEM.US) and recent Patwon discovery/Elmer property (Azimut Exploration AZM.TSX) ("Azimut"). Azimut consolidated the tenure following the Patwon discovery located 13km west of Wapatik.



Figures 1 – Novatem G2 Helicopter on location at Wapatik Project.

About Novatem

Novatem Inc., based in Mont-Saint-Hilaire, Quebec, are currently conducting the heliborne survey. Azimut is the operator of this first exploration phase, with both Azimut and the Company taking all appropriate safety measures related to the Covid-19 pandemic.

Association minière du Québec (AMQ)

The Company welcomed a press release from AMQ on January 6, 2021 – regarding the Quebec Government's announcement regarding the continuation of mining and exploration operations, despite the total containment decreed by the government, the result of the robustness of the measures that the mining industry has deployed to limit the spread of COVID-19 at mining and exploration sites.

President and CEO of the AMQ, Josée Méthot commented "With its decision to maintain mining activities, the government has come to the same conclusion, which is reassuring for our industry and the economy of several regions. This decision is consistent with all of the government's rhetoric that the mining sector will be one of the cornerstones of the province's economic recovery."

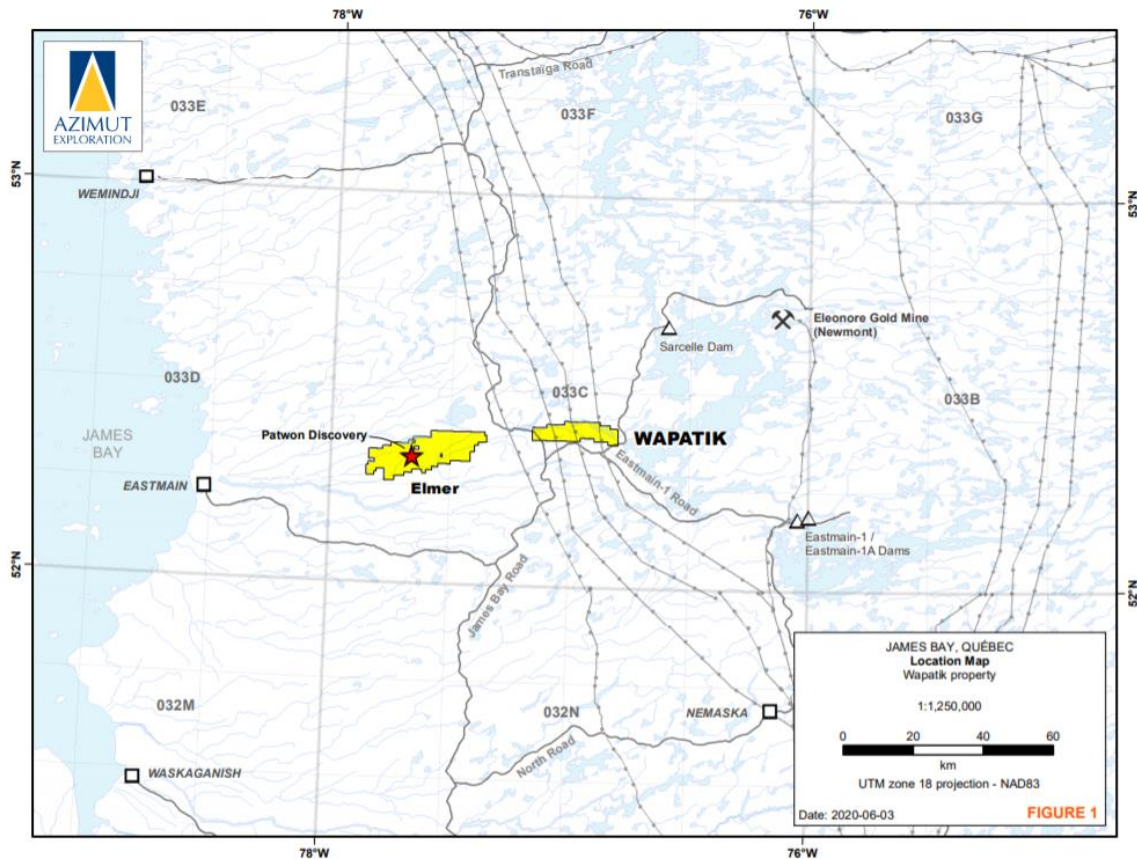


Figure 2 – Wapatik Project Location Map (Source: Azimut Exploration)

Financial position and outlook

The Company remains very well-funded with \$2.93m in cash at the end of the Quarter. Mont Royal maintains strict cost controls with no large general and administrative (G&A) expenses, with Board and management fees continuing to be well below many peer companies.

A summary of the expenditure incurred on exploration activities, payments to related parties and tenements held are set out in the annexure to the Appendix 5B. No development or production activities were undertaken during the quarter.

A comparison of the use of funds as set out in the Prospectus and the actual use of funds is set out in the annexure to this announcement.

For further information please refer to the Appendix 5B.

Mont Royal continues to search for additional opportunities in the resources sector which could demonstrate capacity to add long term shareholder value. The directors believe that the Company's strong cash reserves will facilitate Mont Royal to fund new opportunities in the resources sector.

ENDS.

For and on Behalf of the Board

Shaun Menezes | Company Secretary



About Mont Royal Resources

Mont Royal Resources Limited is an Australian company incorporated for the purpose of pursuing various mining opportunities in the resources sector designed to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities. The Company is party to a binding JV option agreement with Azimut Exploration Inc. (TSXV: AZM), to earn-in up to 70% of the Wapatik Gold-Copper Project, located in James Bay area, a tier 1 mining jurisdiction of Quebec, Canada.

Since incorporation, the Company has acquired a 100% interest in four exploration licences in Western Australia comprising the Edjudina Project which is considered to be prospective for Archaean lode style gold deposits. The tenements comprising the Edjudina Project are held in the name of the Company's wholly owned subsidiary, Mont Royal Exploration Australia Pty Ltd. For further information regarding Mont Royal Resources Limited please visit the ASX platform (**ASX:MRZ**) or the Company's website www.montroyalres.com

Annexure

A comparison of the proposed use of funds set out in the Company's prospectus dated 5 March 2019 against the actual use of funds to date is set out below:

Description	Prospectus disclosure		Actual Expenditure	Commentary
	Year 1	Year 2		
Exploration – Edjudina Project	1,000,000	1,500,000	461,179	A.
Exploration – Yule River Project	25,000	475,000	-	B.
Exploration – Wapatik Gold-Copper Project	-	-	314,828	C.
Directors' fees	200,000	200,000	344,503	
General administration fees and working capital	235,000	235,000	444,108	
Future acquisition costs	465,000	515,000	244,589	D.
Estimated expenses of the Public Offer	500,000	-	537,000	
Total	2,425,000	2,925,000	2,346,207	

Commentary:

A. Actual expenditure on the Edjudina Project is lower than planned expenditure as the results from air core drilling program and subsequent desktop reviews were not sufficiently positive to warrant further expenditure.

B. As stated in the September 2019 Quarterly Activities Report, the Mont Royal board resolved to relinquish the option to acquire the Yule River Project from Centrepeak Resources Group.

C. As announced in September 2020, the Company entered into an Agreement with Azimut, to earn-in up to 70% of the Wapatik Gold-Copper Project, located in James Bay area, a tier 1 mining jurisdiction of Quebec, Canada. As part of this Agreement, the Company has remitted funds to Azimut who are managing the exploration program. At the end of the quarter, not all these funds have not been expended due to minor delays as set out in the Quarterly Report.

D. The Company has not incurred significant expenditure in this area to date but has incurred funds on considering opportunities since the decision was taken not to continue exploration on Edjudina.