

MONT ROYAL TO ACQUIRE 75% OF NORTHERN LIGHTS MINERALS PTY LIMITED

Mont Royal Resources Limited (“**Mont Royal**”, the “**Company**”) (ASX:MRZ) is pleased to announce the proposed acquisition of 75% of Northern Lights Minerals Pty Limited (**NLM**), an Australian proprietary limited company with the rights to acquire a significant land package (**Acquisition Assets**) in the Upper Eastmain Greenstone Belt located in Quebec, Canada (**Proposed Acquisition**).

HIGHLIGHTS

- A substantial 536 km² package across the Upper Eastmain Greenstone belt
- Acquisition Assets are prospective for both precious (Gold, Silver) and base metals mineralisation (Copper, Nickel)
- Complementary to existing gold and copper exploration at Wapatik project
- NLM owns 100% of Tarku, RHE-Extension, CR Properties (Fig 1)
- The 100% owned NLM properties follow the extension of Benz Mining Inc. Eastmain mine corridor
- NLM has an option to acquire an interest in 70% of the Dios Assets
- NLM has a right to acquire a 100% interest in the Focus Assets
- MRZ will issue the shareholders of NLM 5,000,000 fully paid ordinary MRZ shares as consideration (Consideration Shares)
- Consideration Shares to be subject to voluntary escrow for 12 months
- Year-round access road access via route 167 North, with the Acquisition Assets also covered by Société du Plan Nord
- MRZ to expedite exploration activities across the suite of new assets
- MRZ to undertake capital raising of \$4,000,000 in conjunction with the Proposed Acquisition

CORPORATE DIRECTORY

Gary Lawler
Non-Executive Chairman

Peter Ruse
Executive Director

Michael O’Keeffe
Non-Executive Director

Shaun Menezes
Company Secretary

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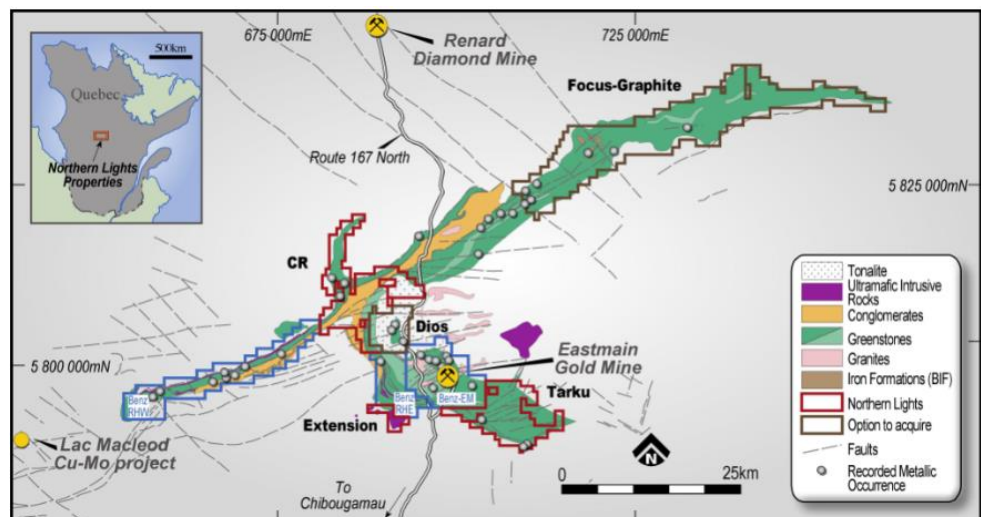


Fig. 1: Above: The upper Eastmain Greenstone Belt with Northern Lights Tenure.

The NLM Assets are situated in the Upper Eastmain Greenstone belt, with the belt located 300km NNE of the town of Chibougamau; 56 km south of Renard Diamond mine. The Upper Eastmain Greenstone Belt is one of several Archean greenstone belts situated within the Canadian Shield.

Due to its northerly location and historically perceived remoteness, the region has not received the same exploration compared to the belts located further south, that are better recognised as constituting the world-famous Abitibi Greenstone Belt, hosting a number of world class mines including Kirkland Lake, Rouyn Noranda, Malartic and Kerr Addison.

Mont Royal will endeavour to replicate the impressive exploration success of neighbouring company Benz Mining Inc. (ASX:BNZ/TSXV:BNZ); deploying the use of electromagnetic (EM) geophysics in its future exploration programs. Through the generation of EM anomalies, this approach identifies iron sulphide bodies like those present at the Eastmain Gold Project, which very closely related to high grade gold occurrences.

This technique has generated a high rate of success for Benz Mining, intersecting shallow, high-grade gold mineralisation in quartz and iron-copper sulphide rich shoots at the company’s Eastmain Gold project, situated immediately to the northern boundary of NLM’s Tarku Project.

Electromagnetic geophysics is not commonly used in traditional Canadian exploration but is used frequently in Australia.

The territory which encompasses the Acquisition Assets is covered by Société du Plan Nord (“SPN”), a government initiative to fund focused on the funding and implementation of integrated and sustainable development of the area. The properties benefit from year-round access via the Route167 highway. The approximate distance between the MRZ’s Wapatik project and the group of Acquisition Assets is 350km to the /North-east.

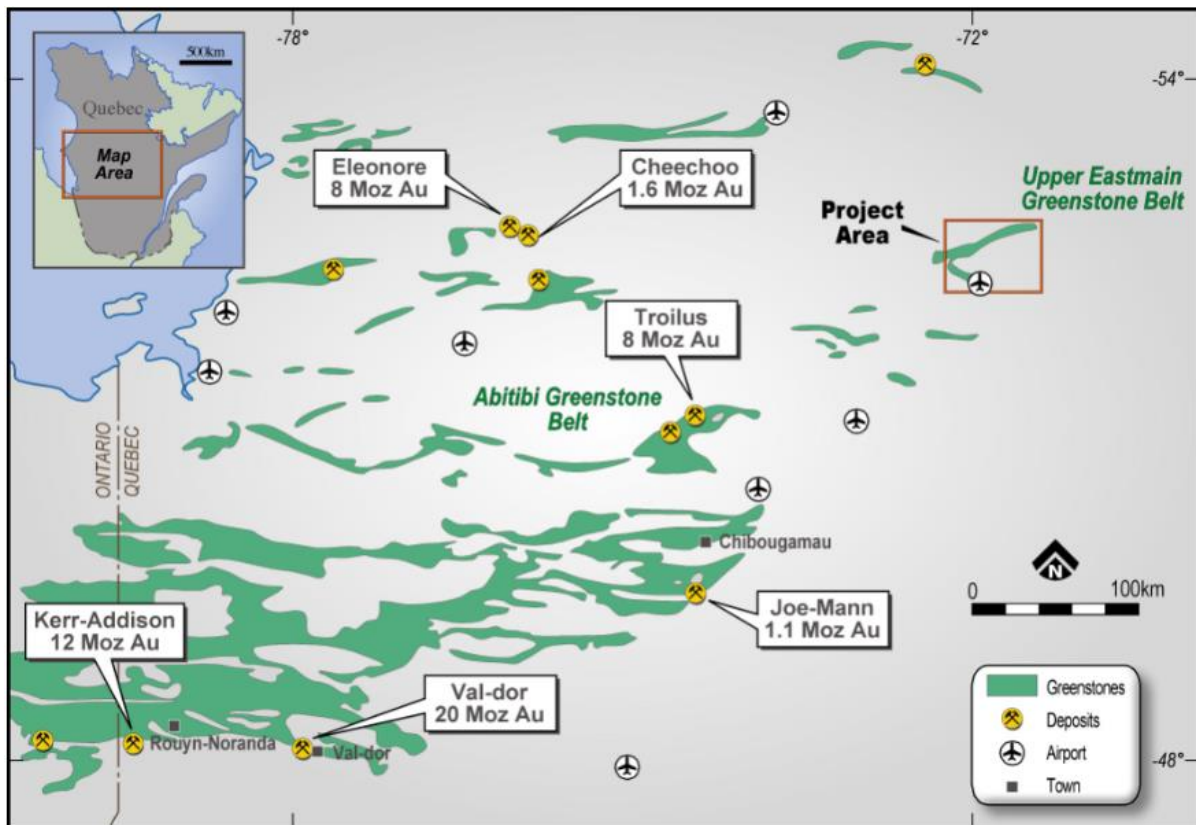


Fig. 2: Above: Regional map of Abitibi and Upper Eastmain greenstone belts, Quebec

Conditions Precedent

Completion will be subject to conditions precedent, which include:

- (i) satisfaction of Mont Royal's due diligence investigations.
- (ii) completion of a capital raising of no less than A\$4,000,000 (before costs);
- (iii) shareholder approval for the issue of the Consideration Shares and the capital raising;
- (iv) entry into a formal agreement.

The Conditions Precedent must be satisfied or waived by 1 November 2021. Shareholder approval will be sought at the Company's annual general meeting which will be convened shortly.

NLM holds rights to acquire the NLM Assets pursuant to the following agreements:

- (i) NLM is party to an agreement with Dios Exploration Inc (**Dios**) providing NLM the right to acquire a 70% interest in the certain claims (and associated mining information) (**Dios Agreement**) (**Dios Assets**); and
- (ii) a subsidiary of NLM holds rights to acquire 100% of the rights in assets held by Focus Graphite Inc (**Focus Agreement**) (**Focus Assets**).

Proposed Capital Raising

MRZ intends to undertake a capital raising in connection with the Acquisition to raise approximately \$4,000,000 through the issue of 20,000,000 Shares (**Capital Raising Shares**) at a deemed issue price of \$0.20, subject to Shareholder approval under Listing Rule 7.1 (**Capital Raising**).

The Company has appointed Peloton Capital Pty Ltd to act as lead manager to the Capital Raising and will issue Peloton Capital 5,000,000 options with an exercise price of \$0.35 and an expiry date of 3 years from the date of issue, as part of its fee (**Broker Options**). The Company will seek shareholder approval to issue the Broker Options at its annual general meeting.

The Company's share capital at the completion of the Proposed Acquisition will be as follows:

	Shares	Options
Existing	37,876,715	4,000,000
Consideration Shares	5,000,000	-
Capital Raising Shares	20,000,000	-
Broker Options	-	5,000,000
TOTAL	62,876,715	9,000,000

Expenditure Requirements under the Dios Agreement and Focus Agreement

Focus Agreement

Pursuant to the Focus Agreement, NLM via its wholly owned subsidiary has the right to acquire a 100% interest in the Focus Assets in consideration for the payments referred to below which are additional to the payment of C\$500,000 which NLM has already made:

- C\$500,000 in cash or shares by 1 December 2021;
- C\$500,000 in cash or shares by 1 December 2022;
- C\$800,000 in cash or shares by 1 December 2023.

Any consideration satisfied by shares will be capped at 50% for each tranche and the shares to be issued will be based off a 10-day VWAP trading price.

Dios Agreement

Pursuant to the Dios Agreement, NLM has the option to acquire an interest in 70% of the Dios Assets by making the following further payments:

- C\$30,000 on 1 July 2022;
- C\$30,000 on 1 July 2023;
- C\$50,000 on 1 July 2024; and
- C\$50,000 on 1 July 2025.

In addition, in order to exercise the option, Northern Lights must expend not less than C\$1.4m of exploration expenditure over a 5-year period.

Use of Funds

The Company proposed use of funds are set out in the following table:

Assets	Exploration Expenditure
Wapatik Project	\$800,000
Northern Lights Assets	\$1,250,000
Focus Assets	\$500,000
Dios Assets	\$500,000
Total	\$3,050,000

The Board of Mont Royal expects to be able to complete due diligence on the Acquisition Assets shortly. Subsequently, the Company will prepare and despatch the materials to shareholders that are required in order to consider the Proposed Acquisition and associated capital raising at its forthcoming Annual General Meeting.

This announcement was approved for release by the Board.

ENDS.

For and on Behalf of the Board

Shaun Menezes | Company Secretary

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About Mont Royal Resources

Mont Royal Resources Limited (ASX:MRZ) is an Australian company incorporated 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. The Company has entered into 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.

For further information regarding Mont Royal Resources Limited, please visit the ASX platform (ASX:MRZ) or the Company's website www.montroyalres.com