



OPTION TO JOINT VENTURE AGREEMENT TO ACQUIRE 70% OF WAPATIK GOLD-COPPER PROJECT, CANADA.

Mont Royal Resources Limited (“**Mont Royal**”, the “**Company**”) (ASX:MRZ) is pleased to announce that the Company has entered into a binding JV option agreement (“**Agreement**”) with Azimut Exploration Inc. (“**Azimut**”) (TSXV: AZM), to earn-in up to 70% of the Wapatik Gold-Copper Project (“**Project**”), located in James Bay area, a tier 1 mining jurisdiction of Quebec, Canada.

Highlights

- Located in world class, mining-friendly jurisdiction of Quebec, Canada.
- Mont Royal can earn up to 70% of the Wapatik Gold-Copper project.
- 220 claims totalling 115sq/km in continuous tenure.
- Underexplored with highly limited modern exploration.
- Located over the lower Eastmain greenstone belt, part of the Archean Superior Province.
- Geological formation which hosts Azimut’s Elmer project extends east to west associated with high magnetic/iron formations.
- A linear scale fault has been interpreted as striking from Elmer property into the Project (west-to-east).
- Five faults identified on the eastern side of the property.
- The transaction will enable Mont Royal to deploy its cash position via the earn-in partnership arrangement, whilst leveraging off Azimut’s strong technical exploration team, to unlock the full potential of the Wapatik project.
- Transaction conditional upon Mont Royal gaining shareholder approval at the upcoming annual general meeting.

Mont Royal Executive Director, Peter Ruse, commented: “*Mont Royal is excited to update both the market and the Company’s loyal shareholders, on this new Agreement with the option to earn 70% of the Wapatik Gold-Copper project in Quebec, Canada. We look forward to forming a long term working relationship with Azimut Exploration, as we commence fieldwork in this exciting part of James Bay, Quebec.*”

“With proprietary technology and extensive exploration experience in the region, Azimut contributes significant value to the Project. The province, which is strongly familiar to our Board, is arguably one of most attractive global exploration locations, with great geology, road access, cheap power, and a highly supportive mining government regulatory environment, creating an extremely attractive opportunity for Mont Royal.”

Wapatik Gold-Copper Project

The Wapatik Gold Copper Project consists of 220 claims totalling 115sq/km in continuous tenure. The Project 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.

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 (up to 3.15g/t Au over 102.00m), with further details provided in this announcement.

CORPORATE DIRECTORY

Gary Lawler
Non-Executive Chairman

Peter Ruse
Executive Director

Michael O’Keeffe
Non-Executive Director

Shaun Menezes
Company Secretary

CONTACT DETAILS

Mont Royal Resources Ltd
ACN 625 237 658

Level 8, 2 Bligh Street
Sydney NSW 2000



The most prospective unit appears to be the Kauputauch Formation, which is the same formation that hosts the Patwon discovery, with the formation extending from East to West, and conductors associated with high magnetic and iron formations to the west. A regional scale linear fault is interpreted as striking from the Elmer to the Wapatik properties.

The geological targets will be shear-hosted gold, intrusion-related copper-gold and copper-gold-molybdenum porphyry systems. Previous work conducted at the property consists of regional geological mapping, geophysical surveys covering the western and the eastern sides of the property, regional lake-bottom-sediment geochemical surveys and rock chip sampling.

Mont Royal is very pleased to be working with such a technically sound partner as Azimut, in a highly sought-after region of the Quebec province, with the Company further attracted to the excellent road, power and exploration camp infrastructure at the Elmer property, which is expected to deliver cost efficient exploration and provide year-round access.

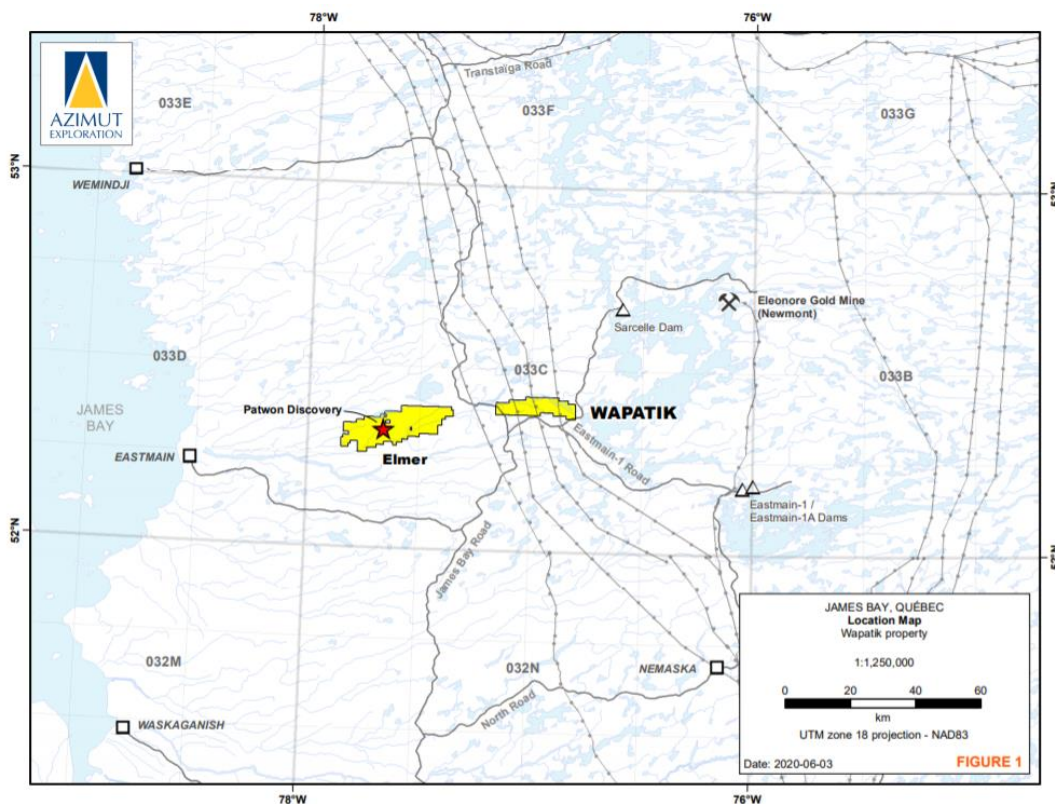


Figure 1 – Wapatik Project Location Map (Source: Azimut Exploration)

Location & Infrastructure

The Wapatik Project is located in the James Bay-Eeyou Istchee 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 Éléonore Gold mine (Newmont Corporation NEM.US).

Importantly, the Project resides approximately 12 km from the Patwon gold discovery on Elmer property (Azimut Exploration AZM.TSX), allowing excellent access to personnel, equipment and exploration camp infrastructure offering attractive cost efficiencies to Mont Royal. Three powerlines crosscut the property (LG2 dam).



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.



Image 1 – Landscape in the vicinity of the Wapatik Property (Source: Azimut Exploration 2019)

Quebec as a Mining/Exploration jurisdiction

Quebec ranks second to Ontario in terms of provincial gold production in Canada, 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 have been invested into Quebec explorers due to the province's combination of geological potential, legal stability, 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 Board¹.

¹Source: <https://www.mining-journal.com/gold-and-silver-news/news/1394352/metals-prices-and-flow-through-supercharge-quebec-exploration>

Historical Exploration Strategy

Azimut has conducted extensive data processing of the James Bay region over 176,300sq/km by applying its proprietary technology, AZtechMine™ expert system, a pioneer data processing and analytics methodology that uses large geoscientific databases, which can be precisely tuned to model the footprint of undiscovered mineral deposits.

The AZtechMine™ approach ensures efficient identification of high-quality targets in the most prospective areas, with the main parameters used for modelling including Government numerical databases combined with the Azimut's proprietary database, such as multi-element lake-bottom sediment (LBS) geochemistry, magnetism, gravity and mineral occurrences database.

The AZtechMine™ proprietary process has been validated over 15 years with greater than 500 new showings and more significantly with the recent exploration success achieved at the Elmer property, following the Patwon discovery in January 2020.

Details below of the 7 holes reported the Patwon Discovery²:

Hole ELM19-001 0.62 g/t Au over 101.3 m (from 13.5 m to 114.8 m)

Hole ELM19-002 3.15 g/t Au over 102.0 m (from 34.0 m to 136.0 m)

Hole ELM19-003 2.84 g/t Au over 108.2 m (from 34.3 m to 142.5 m)

Hole ELM19-004 1.68 g/t Au over 97.0 m (from 5.0 m to 102.0 m)

Hole ELM19-005 1.54 g/t Au over 54.1 m (from 28.4 m to 82.5 m)

Hole ELM19-006 1.15 g/t Au over 129.0 m (from 5.0 m to 134.0 m)

Hole ELM19-007 1.93 g/t Au over 82.0 m (from 21.0 m to 103.0 m)

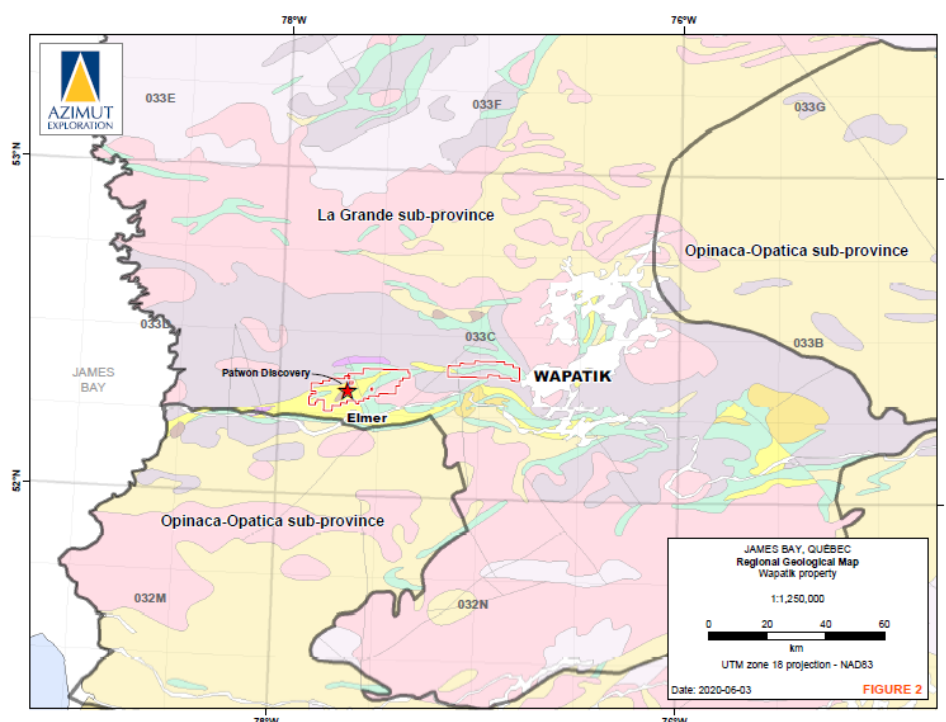


Figure 2 – Regional Geology - James Bay Area, Quebec, Canada. (Source: Azimut Exploration 2020)

² The Patwon Discovery is located approximately 35 km from the Project (12 km from the boundary of the Elmer Property) and for the avoidance of doubt, does not comprise part of the Project. Further information on the Patwon Discovery is available at http://www.azimut-exploration.com/en/release/PR_20200114.pdf, which was published on 14 January 2020. The Company cautions investors that the hyperlinked Azimut Exploration Inc. announcement has not been independently verified by the Company and notes that it will not acquire an interest in the Patwon Discovery under the Agreement.



The regional linear fault can be located sub parallel to the greenstone belt, striking from the Elmer property to the Project, which has been interpreted from the combined regional magnetics, gravity, and topographic data.

As detailed in Figure 3 below, the East- fault is between the two magnetic domains: a lower domain to the north and a higher domain to the south. Five faults, and a North-West /South-East antiform regional fold in the eastern part of the property.

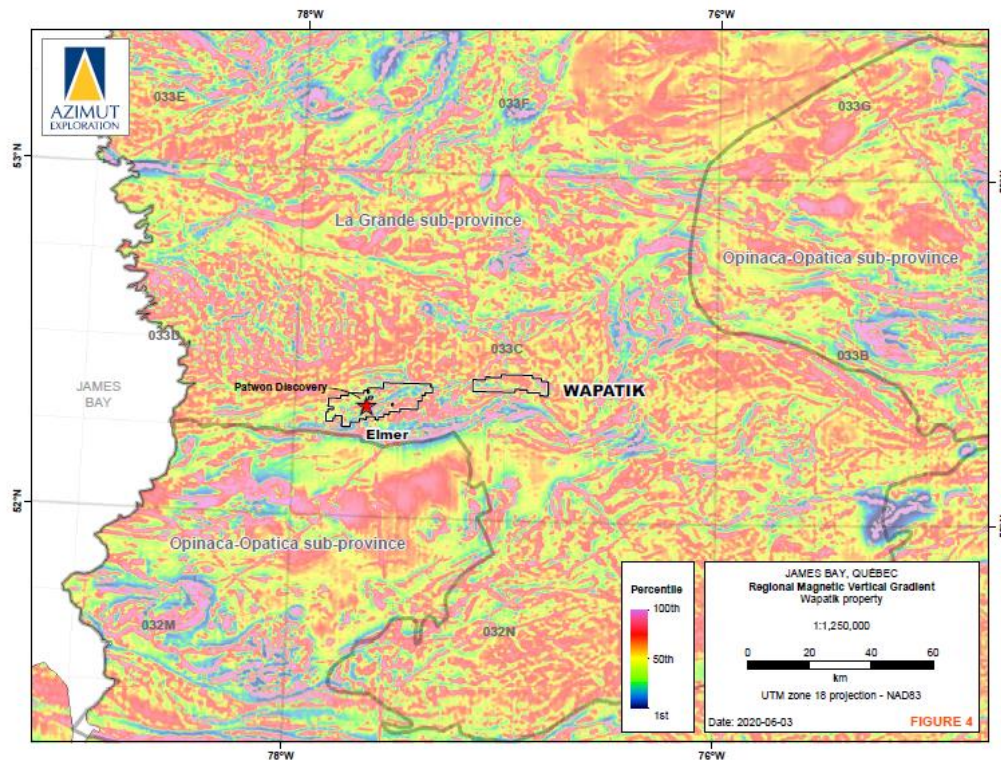


Figure 3 – regional magnetic & vertical gradient map (Source: Azimut Exploration 2020)

Technical committee & proposed work program

During the First and Second Option Periods (“**Option Periods**”), expenditures will be managed by the Operator in accordance with programs and budgets that will be approved by a technical committee comprised of four (4) members (“**Technical Committee**”). Azimut and Mont Royal will be entitled to appoint two (2) members on the Technical Committee, and during the Option Periods, Mont Royal will have a casting vote on all decisions made by the Technical Committee.

The exploration program will commence immediately following shareholder approval, with the list of work programs to include but will not be limited to:

- Airborne geophysical survey to commence immediately
- Follow up imagery/interpretation
- Geochemical surveys:
 - Lake bottom sediments survey and/or till survey
 - Soils survey
 - Reconnaissance prospecting
- Ground Geophysics
- Diamond drilling



Transaction Structure

The proposed 70% earn-in is comprised of two earn-in options as described below (together, the "Transaction").

First option: Mont Royal has an exclusive option to earn a 50% interest (the "First Option"): by making cash payments to Azimut aggregating C\$80,000; and by funding not less than C\$4,000,000 in exploration expenditures on the Project (the "First Option Earn-In Expenditures"), of which the first C\$600,000 ("Initial Commitment") constitutes a firm commitment of Mont Royal. Subsequent to the Initial Commitment, Mont Royal has 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 ⁽¹⁾	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

Second Option: Mont Royal has an exclusive option to earn up to an additional 20% earned interest, for an aggregate of up to 70% earned interest (the "Second Option"), subject to Mont Royal:

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

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

The period within which Mont Royal must provide Azimut with the PEA may be extended for three (3) subsequent consecutive periods of one (1) year each upon Mont Royal 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, transfers 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 Mont Royal.

ASX has determined that Listing Rule 11.1.2 but not 11.1.3 applies to the Transaction. Accordingly, the Company will seek shareholder approval for the Transaction at its upcoming annual general meeting.

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.

Changes to board and senior management

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

Proposed Timetable

The Company's proposed exploration program at the Project will commence immediately following shareholder approval, which is expected to occur in early November 2020.

The Company looks forward to updating the market and encourages shareholders to vote in favour of the Agreement at the upcoming AGM.

For Further Information:

Peter Ruse

Executive Director

info@montroyalres.com

Jane Morgan

Investor and Media Relations

+61 405 555 618

jm@janemorganmanagement.com.au

**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.

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

About 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.

info@azimut-exploration.com www.azimut-exploration.com