



MONT ROYAL RESOURCES PROSPECTUS

5 MARCH 2019

For an initial public offer of up to 25,000,000 Shares at an issue price of \$0.20 each to raise up to \$5,000,000 (before costs).

This Prospectus has been issued to provide information on the offer of a minimum of 22,500,000 and up to 25,000,000 Shares to be issued at a price of \$0.20 per Share to raise a minimum of \$4,500,000 and a maximum of \$5,000,000 (before costs) (Public Offer).

It is proposed that the Public Offer will close at 5.00pm (WST) on 8 April 2019. The Directors reserve the right to close the Public Offer earlier or to extend these dates without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the Securities offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the Securities.



PELTON CAPITAL PTY LTD
AFSL NO. 406040

MONT ROYAL RESOURCES LIMITED
ACN 625 237 658

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PROSPECTUS

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IMPORTANT INFORMATION

Prospectus

This Prospectus is dated, and was lodged with ASIC on, 5 March 2019. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within 7 days of the date of this Prospectus for Official Quotation of the Shares the subject of the Public Offer.

No person is authorised to give any information or to make any representation in connection with the Public Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Public Offer.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Conditional Public Offer

The Public Offer contained in this Prospectus is conditional on certain events occurring. If these events do not occur, the Public Offer will not proceed and investors will be refunded their Application Monies without interest. Please refer to Section 1.4 for further details on the condition attaching to the Public Offer.

Electronic Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.montroyalres.com. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office by contacting the Company as detailed in the Corporate Directory. The Public Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and the relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person any Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Public Offer should complete the relevant Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Public Offer outside Australia

No action has been taken to register or qualify the Securities the subject of this Prospectus, or the Public Offer, or otherwise to permit the offering of the Securities, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Subject to the provisions outlined in Section 1.16, certain persons resident in New Zealand, Canada, Monaco, Singapore and Hong Kong are eligible to participate in the Public Offer.

Speculative Investment

The Securities offered pursuant to this Prospectus should be considered **highly speculative**. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Securities.

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors of the Company. Key risk factors associated with an

investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Competent Persons Statements

The information in this Prospectus that relates to technical assessment of the mineral assets, exploration targets and exploration results is based on, and fairly represents, information and supporting documentation prepared by Dr Michael Cunningham, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Dr Cunningham is a full-time employee of the Independent Geologist. Dr Cunningham has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Dr Cunningham consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 9.

CORPORATE DIRECTORY

Directors

Mr Peter Ruse Executive Director
Mr Gary Lawler Non-Executive Chairman
Mr Michael O'Keefe Non-Executive Director

Company Secretary

Shaun Menezes

Registered and Principal Office

Level 8
2 Bligh Street
SYDNEY NSW 2000

Phone: +61 (02) 8651 7800
Fax: +61 (02) 9241 6199
Email: info@montroyalres.com
Website: www.montroyalres.com

Proposed Securities Exchange Listing

Australian Securities Exchange (ASX)
Proposed ASX Code: MRZ

Share Registry*

Automic Pty Ltd
Level 2, 267 St Georges Terrace
PERTH WA 6000

Phone (within Australia): 1300 288 664
Phone (outside Australia): +61 2 9698 5414

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Solicitors

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Independent Geologist

SRK Consulting (Australasia) Pty Ltd
Level 1, 10 Richardson Street
WEST PERTH WA 6005

Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Lead Manager and Corporate Advisor

Peloton Capital
Level 8
2 Bligh Street
SYDNEY NSW 2000
Phone: +61 (02) 8651 7800

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

LETTER FROM THE BOARD

Dear Investor

On behalf of my fellow Directors, it is with great pleasure that I present to you this Prospectus and invite you to become a shareholder of Mont Royal Resources Limited (**Company**).

The Company is a newly incorporated mineral exploration company whose business is the acquisition, exploration and development of mineral resource projects.

The purpose of the Public Offer is to raise a minimum of \$4,500,000 and a maximum of \$5,000,000 (before associated costs) by the issue of a minimum of 22,500,000 and a maximum of 25,000,000 Shares at an issue price of \$0.20 each.

The proceeds of the Public Offer will be utilised to enable the Company to systematically explore across its Projects, described below:

(a) The Edjudina Project

The Company is the holder of the Edjudina Project via its wholly owned subsidiary, Mont Royal Exploration Australia Pty Ltd. The Edjudina Project is located approximately 170km northeast of Kalgoorlie in Western Australia, with excellent access via roads and established station tracks, and covers an area of approximately 24km². The Edjudina Project is considered prospective for Archaean lode style gold deposits. The Edjudina Project's geology consists of mafic, ultramafic and felsic sedimentary units which have the potential to host lode style gold deposits. The Company was attracted to this project due to its prospective geological setting within proven mineralised belts, and its lack of modern exploration as the relevant tenements were previously held by mineral prospectors and/or companies focused on other commodities.

(b) Yule River Project

The Company has an exclusive option to acquire the tenement comprising the Yule River Project pursuant to the Acquisition Agreement that is summarised in Section 6.2 of this Prospectus. The Yule River Project is situated approximately 40km to the southwest of Port Hedland in Western Australia. The Project covers an area of approximately 225km² and is considered prospective for Archaean mesothermal lode style gold deposits. If the Company elects to exercise the Yule River Option, the Company's activities will focus on an over 10km long, north striking shear that is interpreted to be related to the much larger, generally east-west trending Mallina Basin.

Detailed information about the Projects is set out in the Independent Geologist's Report in Schedule 3 to this Prospectus.

This Prospectus also contains detailed information about the Public Offer, the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 3).

We look forward to welcoming you as a Shareholder should you decide to take up Shares pursuant to the Public Offer.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Peter Ruse', with a long horizontal stroke extending to the right.

Peter Ruse
Executive Director

KEY PUBLIC OFFER DETAILS

Pro forma capital structure ¹	Shares	Options	Performance Rights
Shares offered under the Public Offer for \$0.20 each:			
Minimum Subscription (\$4,500,000 (before costs))	22,500,000	Nil	Nil
Maximum Subscription (\$5,000,000 (before costs))	25,000,000	Nil	Nil
Securities currently on issue	12,075,100 ²	Nil	600,000 ³
Options issued to the Directors ⁴	Nil	4,000,000	Nil
Shares to be issued to Vendor on conversion of Performance Rights	600,000	Nil	Nil
Total Securities on issue on completion of the Public Offer⁵			
Minimum Subscription	35,175,100	4,000,000	Nil
Maximum Subscription	37,675,100	4,000,000	Nil
Shares to be issued to the Vendor if the Yule River Option is exercised ⁶	400,000	Nil	Nil

Notes:

1. Please refer to Section 1.8 for further details relating to the proposed capital structure of the Company on Admission.
2. This figure includes:
 - (i) 100 Shares issued to Mr Peter Ruse (Director) on incorporation of the Company for nil consideration;
 - (ii) 6,000,000 Shares issued pursuant to a placement to sophisticated and institutional investors on 11 April 2018 at an issue price of \$0.01 (**Founder Shares**) (see Section 1.7(c) for details of the Lead Manager's participation in this placement);
 - (iii) 6,000,000 Shares issued under the Seed Raising (including 250,000 Shares allocated to the Vendor in accordance with the Acquisition Agreement (see Section 6.2) (see also Section 1.7(c) for details of the Lead Manager's participation in this placement)); and
 - (iv) 75,000 Shares issued to Ms Alessia Maria Dipalma, a consulting geologist, in consideration for services provided to the Company. Ms Dipalma is not a related party to the Company.

See Section 7.1 for a summary of the terms and conditions attaching to Shares.
3. Comprise 600,000 Performance Rights issued to the Vendor in consideration for the Edjudina Tenements pursuant to the Acquisition Agreement (see Section 6.2). The Performance Rights will automatically convert to Shares upon completion of the Public Offer. See Section 7.3 for the full terms and conditions of the Performance Rights.
4. The Company has issued an aggregate of 4,000,000 Director Options to Directors in accordance with their respective engagement agreements with the Company (see Section 6.5 for details) on the terms and conditions set out in Section 7.2.

5. Assuming all the Performance Rights have converted to Shares, no further Securities are issued and none of the Options are exercised.
6. See Section 6.2 for details of the terms of the Yule River Option as contained in the Acquisition Agreement.

INDICATIVE TIMETABLE

Event	Date
Lodgement of this Prospectus with ASIC	5 March 2019
Opening Date for the Public Offer	13 March 2019
Closing Date for the Public Offer	8 April 2019
Issue Date of Securities	15 April 2019
Despatch of holding statements	23 April 2019
Expected date for Official Quotation on ASX	15 May 2019

Note:

The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Dates without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company.

INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	Summary	More information
Introduction		
Who is the Company and what does it do?	<p>Mont Royal Resources Limited (ACN 625 237 658) (Company) is an Australian company incorporated on 26 March 2018 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.</p> <p>Since incorporation, the Company has acquired a 100% legal and beneficial interest in four exploration licences in Western Australia comprising the Edjudina Project which is considered to be prospective for Archaean lode style gold deposits (Edjudina Tenements). The tenements comprising the Edjudina Project are held in the name of the Company's wholly owned subsidiary, Mont Royal Exploration Australia Pty Ltd (MR Exploration).</p> <p>Pursuant to the Acquisition Agreement, the Company also has an option to acquire an additional exploration licence comprising the Yule River Project which is prospective for Archaean mesothermal lode style gold deposits (Yule River Tenement).</p>	Section 2.1
What are the Company's projects?	<p>The Company has a 100% legal and beneficial interest in the tenements comprising the Edjudina Project and an exclusive Option to acquire a 100% legal and beneficial interest in the tenement comprising the Yule River Project.</p> <p>The Edjudina Project is located approximately 170km northeast of Kalgoorlie in Western Australia and covers an area of approximately 24km² (8 blocks). The tenements encompassing the Edjudina Project are considered prospective for structurally controlled lode gold.</p> <p>The Yule River Project is situated approximately 40km to the southwest of Port Hedland in Western Australia and covers an area of approximately 225km² (70 blocks). The Yule River Project is considered prospective for Archaean mesothermal lode style gold deposits.</p>	Section 2.4

Topic	Summary	More information
What is the Company's financial position?	<p>The Company was incorporated in March 2018 and has not traded, therefore it has not earned any revenue or incurred expenses from its activities, other than the expenses of the Public Offer.</p> <p>An Investigating Accountant's Report is included in Schedule 1 which contains financial information about the Company.</p> <p>The Board is satisfied that upon completion of the Public Offer, the Company will have adequate working capital to meet its stated objectives.</p>	Section 4 and Schedule 1
What is the proposed capital structure of the Company?	Following completion of the Public Offer under this Prospectus, the proposed capital structure of the Company is as set out in Section 1.8.	Section 1.8
What is the proposed use of funds raised under the Public Offer?	The Company proposes to use the funds raised from the Public Offer to undertake exploration on the Edjudina Tenements (and the Yule River Tenement in the event it exercises its exclusive option to acquire it), pay expenses of the Public Offer, and towards general administration fees and working capital.	Section 1.6
What is the Company's strategy?	Following Admission, the Company's primary focus will be on establishing a detailed field and subsequent drill program on the Edjudina Project and (if the Yule River Option is exercised) the Yule River Project, in order to assess the Company's development options.	Section 2.5
Summary of key risks		
<p>Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 3, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 3 for a more detailed summary of the risks.</p>		
Limited History	<p>The Company was incorporated on 26 March 2018 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.</p>	Section 3.1(a)

Topic	Summary	More information
Contractual Risk	<p>Pursuant to the Acquisition Agreement the Company has an option to acquire a 100% legal and beneficial interest in the tenement comprising the Yule River Project from the Vendor.</p> <p>The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p>	Section 3.1(b)
Project Specific Risks	<p>The Edjudina Project and Yule River Project should be considered as grassroots exploration areas. Consequently, the projects have a high associated risk due to limited exploration having been conducted.</p> <p>Much of the data available to the Company and the Independent Geologist in respect of the Projects is based on historical reports, primarily sourced from Western Australian mineral exploration reports. While the review of this data has been thorough, it is possible that not all reports were reviewed and the quality of the information is outside of the Company's control. It is possible that this may have a material impact on exploration results and the Company's exploration decisions.</p> <p>In particular, the Independent Geologist was unable to undertake sufficient quality assurance checks in respect of the historical Yule River Project exploration data, and as a consequence, has not been able to satisfy itself of the reliability of that data. Investors who become aware of historical exploration results on the Yule River Project are therefore cautioned not to rely on such exploration results.</p>	Section 3.1(c)
Future capital requirements	<p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Public Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.</p> <p>In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Public Offer. Any additional equity financing may be dilutive to Shareholders, may</p>	Section 3.1(e)

Topic	Summary	More information
	<p>be undertaken at lower prices than the then market price (or Public Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.</p>	
Exploration and development risks	<p>Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.</p> <p>Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk. In respect of the Projects, the reliability of the data used to produce the Independent Geologists Report in this regard is limited as it is historical in nature and could not be independently verified by the Independent Geologist.</p> <p>Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p>	Section 3.2(b)
Operating risk	<p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment,</p>	Section 3.2(c)

Topic	Summary	More information
	<p>mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its projects. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>	
Third party risks	<p>Under Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including pastoral leases, native title, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Tenements.</p> <p>All of the Tenements overlap pastoral leases, and the Yule River Project overlaps petroleum pipeline licences, a native title determination and miscellaneous licences.</p> <p>Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.</p> <p>If the option is exercised in relation to the Yule River Project, any exploration or mining operations will be subject to the terms and conditions of the Wodgina Access Agreement and also subject to any applicable restrictions that may apply in respect of the other pipelines that overlap with the Yule River Tenement (please see sections 9 and 10.2 in the Solicitor's Report in Schedule 2 for further details). Depending on the location of any required operations, this may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.</p>	Section 3.2(j)
Environmental risk	<p>The operations and proposed activities of the Company are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p>	Section 3.2(k)

Topic	Summary	More information
	<p>The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.</p> <p>Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.</p> <p>Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.</p>	
Directors, Related Party Interest and Substantial Holders		
Who are the Directors?	<p>The Directors are:</p> <ul style="list-style-type: none"> (a) Mr Peter Ruse - Executive Director (b) Mr Gary Lawler - Non-Executive Chairman (c) Mr Michael O'Keefe - Non-Executive Director 	"Corporate Directory" and Section 5.1
What benefits are being paid to the Directors?	<p>Mr Ruse has entered into an executive consultancy agreement with the Company, pursuant to which he will receive a consultancy fee of \$85,000 per year (excluding GST) for services provided as Executive Director of the Company. The Company has back-paid Mr Ruse the equivalent of the annual consultancy fee for the period commencing from his appointment in March 2018.</p> <p>Messrs Lawler and O'Keefe have entered into non-executive director letters of appointment with the Company, pursuant to which Mr Lawler will receive \$65,700 per year and Mr O'Keefe will receive \$50,000 per year, for services provided to the Company as Non-Executive Directors.</p> <p>Messrs Ruse, Lawler and O'Keefe have also been issued with director options (in aggregate of 4,000,000) for nil consideration, with various exercise prices. See Section 6.5.</p>	Sections 5.6 and 6.5
What interests do Directors have in the securities of the Company?	The Directors and their related entities hold the following interests in Securities in the Company as at the date of this Prospectus:	Section 5.5

Topic	Summary	More information																					
	<table border="1" data-bbox="467 282 1161 658"> <thead> <tr> <th data-bbox="467 282 647 353">Director</th> <th data-bbox="647 282 815 353">Shares</th> <th data-bbox="815 282 911 353">%</th> <th data-bbox="911 282 1082 353">Options</th> <th data-bbox="1082 282 1161 353">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 353 647 456">Mr Peter Ruse</td> <td data-bbox="647 353 815 456">1,000,340</td> <td data-bbox="815 353 911 456">8.28</td> <td data-bbox="911 353 1082 456">1,000,000</td> <td data-bbox="1082 353 1161 456">25</td> </tr> <tr> <td data-bbox="467 456 647 560">Mr Gary Lawler</td> <td data-bbox="647 456 815 560">200,000</td> <td data-bbox="815 456 911 560">1.66</td> <td data-bbox="911 456 1082 560">1,000,000</td> <td data-bbox="1082 456 1161 560">25</td> </tr> <tr> <td data-bbox="467 560 647 658">Mr Michael O'Keefe</td> <td data-bbox="647 560 815 658">1,150,000</td> <td data-bbox="815 560 911 658">9.52</td> <td data-bbox="911 560 1082 658">2,000,000</td> <td data-bbox="1082 560 1161 658">50</td> </tr> </tbody> </table> <p data-bbox="443 674 1185 768">Note: The above percentages are based on there being 12,075,100 Shares and 4,000,000 Options on issue at the date of this Prospectus.</p>	Director	Shares	%	Options	%	Mr Peter Ruse	1,000,340	8.28	1,000,000	25	Mr Gary Lawler	200,000	1.66	1,000,000	25	Mr Michael O'Keefe	1,150,000	9.52	2,000,000	50		
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<p data-bbox="193 819 427 987">What important contracts with related parties is the Company a party to?</p>	<p data-bbox="443 819 1137 887">The Company has entered into the following related party transactions on arms' length terms:</p> <ul data-bbox="443 904 1166 1205" style="list-style-type: none"> <li data-bbox="443 904 1166 1008">(a) Executive consultancy agreement or letters of appointment with each of its Directors on standard terms (refer to Section 6.5 for details); <li data-bbox="443 1025 1166 1093">(b) Lead Manager Mandate with Peloton on standard terms (refer to Sections 6.4 and 7.6(g)); and <li data-bbox="443 1111 1166 1205">(c) Deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 6.6 for details). 	<p data-bbox="1201 819 1430 920">Sections 6.4, 6.5 and 6.6 for details</p>																					
<p data-bbox="193 1240 427 1375">Who will be the substantial holders of the Company?</p>	<p data-bbox="443 1240 1166 1413">Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below. See Section 2.1(b) for further details on each of the Shareholders' holdings as listed in the tables below.</p> <table border="1" data-bbox="451 1458 1185 2033"> <thead> <tr> <th data-bbox="451 1458 879 1536">Name</th> <th data-bbox="879 1458 1050 1536">Shares</th> <th data-bbox="1050 1458 1185 1536">%³</th> </tr> </thead> <tbody> <tr> <td data-bbox="451 1536 879 1603">Peloton Capital⁴</td> <td data-bbox="879 1536 1050 1603">1,890,000</td> <td data-bbox="1050 1536 1185 1603">15.6</td> </tr> <tr> <td data-bbox="451 1603 879 1671">Prospect AG Trading Pty Ltd¹</td> <td data-bbox="879 1603 1050 1671">1,150,000</td> <td data-bbox="1050 1603 1185 1671">9.5</td> </tr> <tr> <td data-bbox="451 1671 879 1738">High Peaks Capital Pty Ltd²</td> <td data-bbox="879 1671 1050 1738">1,000,340</td> <td data-bbox="1050 1671 1185 1738">8.3</td> </tr> <tr> <td data-bbox="451 1738 879 1805">Kero Investments Pty Ltd</td> <td data-bbox="879 1738 1050 1805">950,000</td> <td data-bbox="1050 1738 1185 1805">7.8</td> </tr> <tr> <td data-bbox="451 1805 879 1906">Quartz Mountain Mining Pty Ltd</td> <td data-bbox="879 1805 1050 1906">850,000</td> <td data-bbox="1050 1805 1185 1906">7.0</td> </tr> <tr> <td data-bbox="451 1906 879 2033">Mr Geoffrey John Fennell & Carmel Ann Fennell <Gemica Super Fund A/c></td> <td data-bbox="879 1906 1050 2033">750,000</td> <td data-bbox="1050 1906 1185 2033">6.2</td> </tr> </tbody> </table>	Name	Shares	% ³	Peloton Capital ⁴	1,890,000	15.6	Prospect AG Trading Pty Ltd ¹	1,150,000	9.5	High Peaks Capital Pty Ltd ²	1,000,340	8.3	Kero Investments Pty Ltd	950,000	7.8	Quartz Mountain Mining Pty Ltd	850,000	7.0	Mr Geoffrey John Fennell & Carmel Ann Fennell <Gemica Super Fund A/c>	750,000	6.2	<p data-bbox="1201 1240 1353 1274">Section 7.5</p>
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<p data-bbox="194 1624 395 1727">What fees are payable to the Lead Manager?</p>	<p data-bbox="443 1624 1177 1727">Pursuant to the Lead Manager Mandate, the Company has or will pay to Peloton the following fees in connection with the Seed Raising and the Public Offer:</p> <table border="1" data-bbox="443 1794 1189 2085"> <thead> <tr> <th>Seed Raising Fee</th> <th>Minimum Subscription</th> </tr> </thead> <tbody> <tr> <td>Management Fee</td> <td>\$6,000</td> </tr> <tr> <td>Capital Raising Fee</td> <td>\$30,000</td> </tr> <tr> <td>TOTAL</td> <td>\$36,000</td> </tr> </tbody> </table>	Seed Raising Fee	Minimum Subscription	Management Fee	\$6,000	Capital Raising Fee	\$30,000	TOTAL	\$36,000	<p data-bbox="1200 1624 1417 1697">Sections 1.7(a) and Section 6.4</p>													
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TOTAL	\$36,000																						

Topic	Summary	More information																		
	<p>Pursuant to the Lead Manager Mandate, Peloton is also entitled to a corporate advisory fee of \$3,000 per month for a period of 12 months commencing from the date the Company is admitted to the Official List.</p> <table border="1" data-bbox="442 678 1189 1126"> <thead> <tr> <th data-bbox="442 678 735 781">Public Offer Fee</th> <th data-bbox="735 678 949 781">Minimum Subscription</th> <th data-bbox="949 678 1189 781">Maximum Subscription</th> </tr> </thead> <tbody> <tr> <td data-bbox="442 781 735 848">Management Fee</td> <td data-bbox="735 781 949 848">\$45,000</td> <td data-bbox="949 781 1189 848">\$50,000</td> </tr> <tr> <td data-bbox="442 848 735 916">Capital Raising Fee</td> <td data-bbox="735 848 949 916">\$180,000</td> <td data-bbox="949 848 1189 916">\$200,000</td> </tr> <tr> <td data-bbox="442 916 735 983">Introduction Fee</td> <td data-bbox="735 916 949 983">\$45,000</td> <td data-bbox="949 916 1189 983">\$50,000</td> </tr> <tr> <td data-bbox="442 983 735 1050">Success Fee</td> <td data-bbox="735 983 949 1050">Nil</td> <td data-bbox="949 983 1189 1050">\$20,000</td> </tr> <tr> <td data-bbox="442 1050 735 1126">TOTAL</td> <td data-bbox="735 1050 949 1126">\$270,000</td> <td data-bbox="949 1050 1189 1126">\$320,000</td> </tr> </tbody> </table>	Public Offer Fee	Minimum Subscription	Maximum Subscription	Management Fee	\$45,000	\$50,000	Capital Raising Fee	\$180,000	\$200,000	Introduction Fee	\$45,000	\$50,000	Success Fee	Nil	\$20,000	TOTAL	\$270,000	\$320,000	
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Topic	Summary	More information																
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	Shares	%	Options															
As at the date of this Prospectus ¹	1,890,000 ²	15.65	Nil															
	Shares	%	Options															
On Admission ³	2,890,000 ⁴	8.21%	Nil															
<p>What is the Public Offer?</p>																		
<p>What is the Public Offer?</p>	<p>The Public Offer is for an initial public offering of a minimum of 22,500,000 and a maximum of 25,000,000 Shares at an issue price of \$0.20 each to raise a minimum of \$4,500,000 and a maximum of \$5,000,000 (before associated costs).</p>	<p>Section 1.1</p>																
<p>What is the Public Offer Price?</p>	<p>\$0.20 per Share.</p>	<p>Section 1.1</p>																

Topic	Summary	More information
What is the minimum subscription amount under the Public Offer?	The Public Offer is conditional on the Company raising at least \$4,500,000. If the Company fails to raise the Minimum Subscription within four months after the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).	Section 1.2
Will the Shares be quoted?	The Company will apply to the ASX for its admission to the Official List and quotation of Shares on the ASX (expected to be under the code "MRZ") within seven days of the date of this Prospectus.	"Corporate Directory" and Section 1.12
What is the purpose of this Prospectus?	<p>The purpose of the Public Offer is to:</p> <ul style="list-style-type: none"> (a) raise a minimum of \$4,500,000 and a maximum of \$5,000,000 pursuant to the Public Offer; (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; and (c) position the Company to seek to achieve the objectives details in Section 2. 	Section 1.3
What are the conditions of the Public Offer?	<p>The Public Offer under this Prospectus is conditional upon:</p> <ul style="list-style-type: none"> (a) the Company raising the minimum subscription (\$4,500,000) under the Public Offer; and (b) the ASX granting in-principle approval to admit the Company to the Official List on conditions which the Directors are confident can be satisfied. <p>If these conditions are not satisfied then the Public Offer will not proceed and the Company will repay all Application Monies received under the Public Offer in accordance with the Corporations Act.</p>	Section 1.4
Are there any escrow arrangements?	<p>Yes, there are compulsory escrow arrangements under the ASX Listing Rules.</p> <p>None of the Shares issued pursuant to the Public Offer are expected to be restricted securities. A portion of the Securities issued to the Lead Manager (or its nominees), brokers, and to the Vendor are expected to be restricted securities.</p> <p>The Company anticipates that upon Admission approximately 9,375,050 Shares will be classified as restricted securities by ASX, which comprises approximately 27% of the issued share capital on an</p>	Section 1.17

Topic	Summary	More information
	undiluted basis, and approximately 24% on a fully diluted basis (assuming a minimum subscription under the Public Offer, all Options are exercised and that no other securities are issued).	
What is the Public Offer period?	An indicative timetable for the Public Offer is set out on page ix of this Prospectus.	"Indicative Timetable"
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Section 1.18
Additional information		
Will the Company be adequately funded after completion of the Public Offer?	The Board believes that the funds raised from the Public Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.	Section 1.6
What rights and liabilities attach to the Securities on issue?	All Shares issued under the Public Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 7.1. The terms and conditions of the Options are set out in Section 7.2.	Sections 7.1 and 7.2
Who is eligible to participate in the Public Offer?	The Public Offer is open to all investors with a registered address in Australia. Subject to the provisions outlined in Section 1.16, certain persons resident in Canada, New Zealand, Singapore and Hong Kong are eligible to participate in the Public Offer.	Section 1.16
How do I apply for Shares under the Public Offer?	Applications for Shares under the Public Offer can only be made using the relevant Application Form accompanying this Prospectus or otherwise provided by the Company. For further information on how to complete the Application Form, Applicants should refer to the instructions set out on the form.	Section 1.10
What is the allocation policy?	The Directors, in conjunction with the Lead Manager, will allocate Shares under the Public Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements). There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of	Section 1.14

Topic	Summary	More information
	<p>Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date.</p> <p>Subject to the satisfaction of the condition to the Public Offer outlined in Section 1.4, Shares under the Public Offer are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Public Offer. Applicants who sell Securities before they receive their holding statements do so at their own risk.</p>	
<p>When will I receive confirmation that my Application has been successful?</p>	<p>It is expected that holding statements will be sent to successful applicants by post on or about 23 April 2019.</p>	<p>"Indicative Timetable"</p>
<p>What is the Company's dividend policy?</p>	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Projects and future acquisitions.</p>	<p>Section 2.7</p>
<p>How can I find out more about the Prospectus or the Public Offer?</p>	<p>Questions relating to the Public Offer and the completion of an Application Form can be directed to the Company Secretary on (02) 8651 7800.</p>	<p>Section 1.23</p>

1. Details of Public Offer

1.1 Public Offer

This Prospectus invites investors to apply for a minimum of 22,500,000 and a maximum of 25,000,000 Shares at an issue price of \$0.20 each to raise a minimum of \$4,500,000 and a maximum of \$5,000,000 (before associated costs) (**Public Offer**).

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 7.1.

Applications for Shares under the Public Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the relevant Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 1.10(a) for further details and instructions.

1.2 Minimum Subscription

The minimum subscription under the Public Offer is \$4,500,000, being 22,500,000 Shares (**Minimum Subscription**). None of the Shares offered under the Public Offer will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

1.3 Purpose of the Public Offer

The purpose of the Public Offer is to:

- (a) raise a minimum of \$4,500,000 and a maximum of \$5,000,000 pursuant to the Public Offer (before associated costs of the Public Offer);
- (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; and
- (c) position the Company to seek to achieve the objectives detailed in Section 2.

1.4 Conditional Public Offer

The Public Offer under this Prospectus is conditional upon:

- (a) the Company raising the minimum subscription (\$4,500,000) under the Public Offer; and
- (b) ASX granting approval for Admission to the Official List.

If these conditions are not satisfied then the Public Offer will not proceed and the Company will repay all Application Monies received under the Public Offer in accordance with the Corporations Act.

1.5 Loyalty Options

The Company may, at the sole discretion of the Board, undertake a pro rata non-renounceable entitlement issue of loyalty Options in which Shareholders registered on the share register of the Company at a record date, determined by the Board, will be entitled to participate. The record date is expected to be within 12 months of the Admission.

There is no certainty that the Company will undertake a loyalty Options offer.

1.6 Proposed use of funds

Following the Public Offer, it is anticipated that the following funds will be available to the Company:

Source of funds	Minimum Subscription \$	Maximum Subscription \$
Existing cash as at the date of this Prospectus	350,000	350,000
Proceeds from Public Offer	4,500,000	5,000,000
Total funds available	\$4,850,000	\$5,350,000

The following table shows the intended use of funds in the two year period following Admission:

Proposed use of funds - Year 1	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Exploration - Edjudina Project ¹	1,000,000	44	1,000,000	41
Exploration - Yule River Project ¹	25,000	1	25,000	1
Directors' fees ²	200,000	9	200,000	8
General administration fees and working capital ³	235,000	10	235,000	10
Future acquisition costs ⁴	395,000	17	465,000	19
Estimated expenses of the Public Offer ⁵	440,000	19	500,000	21
Total funds allocated - Year 1	2,295,000	100	2,425,000	100

Proposed use of funds - Year 2	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Exploration - Edjudina Project ¹	1,250,000	49	1,500,000	51

Proposed use of funds - Year 2	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Exploration - Yule River Project ¹	475,000	19	475,000	16
Directors' fees ²	200,000	8	200,000	7
General administration fees and working capital ⁴	235,000	9	235,000	8
Future acquisition costs ⁵	395,000	15	515,000	18
Total funds allocated - Year 2	2,555,000	100	2,925,000	100
TOTAL FUNDS ALLOCATED	\$4,850,000	100	\$5,350,000	100

Notes:

1. See Section 2.6 for further information on the Company's proposed exploration budget.
2. See Section 5.6 for further information on the Directors' remuneration.
3. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent, other associated costs and also surplus funds.
4. Future acquisition costs include costs required for the identification of new projects and opportunistic acquisitions. The Company notes that:
 - (i) it is not currently considering other acquisitions;
 - (ii) that future acquisitions are likely to be in the mineral resource sector;
 - (iii) that the timing of any such transactions is not yet known, and that the Company may not expend these funds in year 1 if no suitable opportunity arises; and
 - (iv) if no suitable acquisition opportunity arises, and subject to the outcomes of exploration activities, the Company may elect to reallocate some or all of these funds to exploration on the Edjudina Project.
5. Expenses paid or payable by the Company in relation to the Public Offer are set out in Section 7.8.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 3), and actual expenditure levels, may differ significantly from the above estimates.

The Board believes that the funds raised from the Public Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Public Offer will provide the Company sufficient funding for approximately 2 years' operations. As the Company has no operating revenue, the Company will require further financing in the future. See Section 3.1(e) for further details about the risks associated with the Company's future capital requirements.

1.7 Lead Manager interest in the Public Offer

Peloton (also referred to in this Prospectus as the “Lead Manager”) is corporate adviser to the Company and lead manager in respect of the Public Offer.

(a) Fees payable to Lead Manager

Peloton is party to the Lead Manager Mandate that is summarised in Section 6.4. Pursuant to the Lead Manager Mandate, the Company has or will pay to Peloton the following fees in connection with the Seed Raising and the Public Offer.

Seed Raising Fee	Minimum Subscription
Management Fee	\$6,000
Capital Raising Fee	\$30,000
TOTAL	\$36,000

Public Offer Fee	Minimum Subscription	Maximum Subscription
Management Fee	\$45,000	\$50,000
Capital Raising Fee	\$180,000	\$200,000
Introduction Fee	\$45,000	\$50,000
Success Fee	Nil	\$20,000 ¹
TOTAL	\$270,000	\$320,000

Notes:

1. This fee is payable on Admission subject to completion of the Public Offer with a minimum of \$5,500,000 received of valid subscriptions in the Public Offer book build. See Section 6.4.

Pursuant to the Lead Manager Mandate, Peloton is also entitled to a corporate advisory fee of \$3,000 per month for a period of 12 months commencing from the date the Company is admitted to the Official List.

(b) Lead Manager interests in Securities

- (i) Peloton and its associates have a relevant interest in the following Securities as at the date of this Prospectus:

	Shares	%	Options
As at the date of this Prospectus	1,890,000 ²	15.65 ¹	Nil

- (ii) Based on the information available to the Company as at the date of the Prospectus regarding Peloton and its associates' intentions in relation to the Public Offer, Peloton and its associates will have a relevant interest in the following Securities on Admission:

	Shares	%	Options
On Admission ³	2,890,000 ⁴	8.21	Nil

Notes:

2. Based on 12,075,100 Shares and 4,000,000 Options being on issue at the date of this Prospectus.
3. Comprises 1,090,000 Founder Shares and 800,000 Shares issued under the Seed Raising.
4. Based on there being 35,175,100 Shares and 4,000,000 Options on issue at Admission, which assumes the:
 - (i) minimum subscription under the Public Offer;
 - (ii) all Performance Rights have converted to Shares; and
 - (iii) no further Shares are issued or Options exercised; other than as described in this Prospectus.
5. This assumes that Peloton and its associates will take up 1,000,000 Shares under the Public Offer.

(c) Lead Manager participation in previous placements

Other than as detailed in below, Peloton has not participated in a placement of Securities by the Company in the 2 years preceding lodgement of this Prospectus.

Peloton and its associates have been issued Shares as follows:

Placement Round	Number of Shares	Consideration Paid	Date Issued
Seed Raising	800,000	\$80,000.00	12 November 2018
Founder Shares	1,090,000	\$10,900.00	11 April 2018
TOTAL	1,890,000	\$90,900.00	-

1.8 Capital Structure on Admission

On the basis that the Company completes the Public Offer on the terms in this Prospectus and assuming no further Securities are issued, none of the Options have been exercised, and the Performance Rights have all converted into Shares, on Admission the Company's capital structure will be as follows:

Shares	Minimum Subscription	%	Maximum Subscription	%
On issue as at the date of this Prospectus	12,075,100	34.32	12,075,100	32.05

Shares	Minimum Subscription	%	Maximum Subscription	%
To be issued under the Public Offer	22,500,000	63.96	25,000,000	66.35
To be issued to Vendor on conversion of the Performance Rights ¹	600,000	1.70	600,000	1.59
Total	35,175,100	100	37,675,100	100

Options	Minimum Subscription	%	Maximum Subscription	%
On issue as at the date of this Prospectus ²	4,000,000	100	4,000,000	100
Total	4,000,000	100	4,000,000	100

Notes:

1. The Performance Rights were issued to the Vendor in accordance with the Acquisition Agreement (see Section 6.2 for details) on the terms and conditions set out in Section 7.3, and will be converted into Shares prior to Admission.
2. Comprising the following Director Options:
 - (i) 1,500,000 Class A Director Options;
 - (ii) 1,250,000 Class B Director Options; and
 - (iii) 1,250,000 Class C Director Options,

issued on the terms and conditions detailed in Section 7.2, pursuant to the Director's respective engagement agreements with the Company. See Section 6.5 for details as to the Director's entitlements to Director Options. The Company confirms that on Admission not less than 20% of its Shares will be held by non-affiliated security holders and that such Shares will not be restricted securities or be subject to voluntary escrow.

1.9 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Sections 2.1 and 2.5 for further information in respect to the Company's proposed activities.

1.10 Applications

(a) General

Applications for Securities under the Public Offer can only be made using the relevant Application Form accompanying this Prospectus or otherwise provided by the Company. For further information on how to complete the Application Form, Applicants should refer to the instructions set out on the form.

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account. Applicants wishing to provide Application Monies via electronic funds transfer should follow the instructions on the Application Form or contact the Company.

(i) Option 1: Submitting an Application Form with a cheque

Investors may complete an Application Form which accompanies and forms part of this Prospectus. Investors must enclose a cheque, made payable to "Mont Royal Resources Limited" and crossed "Not Negotiable" and mail or deliver both the Application Form (completed in accordance with the terms set out in the Application Form) and the cheque to the address set out on the Application Form by no later than the Closing Date.

(ii) Option 2: Submitting an Application Form and paying with BPAY

For online applications, Investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Investors will be given a BPAY® biller code and a customer reference number unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Investors must:

- (A) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (B) select to use BPAY® and follow the prompts; enter the biller code and unique customer reference number that corresponds to the online Application;
- (C) enter the amount to be paid which corresponds to the value of Shares under the online Application;
- (D) select which account payment is to be made from;
- (E) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (F) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution:

- (i) whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment; and
- (ii) the cut off time for the BPAY® payment.

Investors can apply online by following the instructions at <https://automic.com.au/montroyal.html> and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

Completed Application Forms and any accompanying cheques or confirmation of electronic funds transfer must be received by the Company before 5.00pm WST on the relevant Closing Date by either being posted or delivered to the following addresses:

By post	By hand delivery
Mont Royal Resources Limited C/- Automic GPO Box 5193 SYDNEY NSW 2001	Mont Royal Resources Limited C/- Automic Level 5, 126 Phillip Street SYDNEY NSW 2000

An original, completed and lodged Application Form together with a cheque or confirmation of electronic funds transfer for any Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final, however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque or electronic funds transfer for the Application Monies.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (i) agrees to be bound by the terms of the Public Offer;
- (ii) declares that all details and statements in the Application Form are complete and accurate;
- (iii) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (iv) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;

- (v) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- (vi) acknowledges that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

The Public Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Public Offer or accept late Applications.

(b) **Public Offer**

Applications under the Public Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 2,500 Shares (\$500).

1.11 CHESS and issuer sponsorship

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of Securities.

Under CHESS, the Company will not issue certificates to Security holders. Rather, holding statements (similar to bank statements) will be sent to Security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Security holders who elect to hold Securities on the CHESS sub-register) or by the Company's Share Registry (for Security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of existing Securities (where applicable) and the number of new Securities allotted under this Prospectus and provide details of a Security holder's holder identification number (for Security holders who elect to hold Securities on the CHESS sub-register) or Security holder reference number (for Security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each Security holders at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.12 ASX Listing and Official Quotation

Within 7 days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities). The Company will not apply for quotation of the Options on the ASX.

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Securities offered under the Public Offer will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants

(without interest) as soon as practicable or the Company will issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Securities offered pursuant to this Prospectus.

1.13 Application Monies to be held in trust

Application Monies will be held in trust for Applicants until the allotment of the Securities under the Public Offer. Any interest that accrues will be retained by the Company.

1.14 Allocation and issue of Shares

The Directors, in conjunction with the Lead Manager, will allocate Securities under the Public Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements).

There is no assurance that any Applicant will be allocated any Securities, or the number of Securities for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Securities than those applied for. Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date.

Subject to the satisfaction of the condition to the Public Offer outlined in Section 1.4, Securities under the Public Offer are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Securities issued under the Public Offer. Applicants who sell Securities before they receive their holding statements do so at their own risk.

1.15 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 3 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.16 Overseas Applicants

No action has been taken to register or qualify the Securities, or the Public Offer, or otherwise to permit the offering of the Securities, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

Subject to the following, certain persons resident in New Zealand, Monaco, Singapore, Hong Kong and Canada are eligible to participate in the Public Offer:

(a) **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**). The Public Offer is not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(b) **Monaco**

The Public Offer may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco Bank or a duly authorized Monegasque intermediary. Consequently, this document may only be communicated to Monaco banks duly licensed by the "Autorité de Contrôle Prudentiel" and fully licensed Monaco portfolio management companies by virtue of Law n° 1.144 of 26 July 1991 and Law 1.338, of 7 September 2007 duly licensed by the "Commission de Contrôle des Activités Financières"(CCAF). Such regulated intermediaries may in turn communicate this document to potential investors.

The addressees hereof are perfectly fluent in English and expressly waive the possibility of a French translation of the present document.

Les destinataires du présent document reconnaissent être à même d'en prendre connaissance en langue anglaise et renonce expressément à une traduction française.

(c) **Singapore**

This document and any other materials relating to the Public Offer have not been, and will not be, lodged or registered as a prospectus in Singapore with

the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares under the Public Offer, may not be issued, circulated or distributed, nor may the Public Offer be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Public Offer being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares under the Public Offer. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(d) Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance* (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the *Securities and Futures Ordinance* (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Public Offer has not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Public Offer has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares under the Public Offer that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares under the Public Offer may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(e) Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of Shares under the Public Offer only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Shares under the Public Offer. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 - Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Public Offer or the offering of Shares under the Public Offer and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares under the Public Offer or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares under the Public Offer in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Shares under the Public Offer outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Shares under the Public Offer.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Shares under the Public Offer purchased pursuant to this document (other than:

- (i) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106);
- (ii) the Business Development Bank of Canada; or
- (iii) a subsidiary of any person referred to in (i) or (ii) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary),

shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation.

If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Shares under the Public Offer during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

- (i) the Company will not be liable if it proves that the purchaser purchased the Shares under the Public Offer with knowledge of the misrepresentation;
- (ii) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the Shares under the Public Offer as a result of the misrepresentation relied upon; and
- (iii) in no case shall the amount recoverable exceed the price at which the Shares under the Public Offer were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (i) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (ii) in the case of any action, other than an action for rescission, the earlier of:
 - (A) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action; or
 - (B) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations

Prospective purchasers of the Shares under the Public Offer should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares under the Public Offer as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares under the Public Offer (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only.

Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

1.17 Escrow arrangements

ASX will classify certain existing Securities on issue in the Company as being subject to the restricted securities provisions of the Listing Rules. Classified Securities would be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Securities are prohibited from being transferred, trading in Securities may be less liquid which may impact on the ability of a Security holder to dispose of their Securities in a timely manner.

None of the Shares issued pursuant to the Public Offer are expected to be restricted securities. A portion of Securities issued to the Lead Manager (or its nominees), brokers and to the Vendor are expected to be restricted securities.

The Company anticipates that upon Admission approximately 9,375,050 Shares will be classified as restricted securities by ASX, which comprises approximately 27% of the issued share capital on an undiluted basis (based on a minimum subscription under the Public Offer), and approximately 24% on a fully diluted basis (assuming a minimum subscription under the Public Offer, all Options are exercised and that no other securities are issued).

Prior to the Company's Shares being admitted to Official Quotation on the ASX, the Company will enter into escrow agreements with the recipients of any restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.

1.18 Underwriting

The Public Offer is not underwritten.

1.19 Commission

The Company reserves the right to pay a commission of up to 6% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee.

1.20 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Public Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

1.21 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Securities, to provide facilities and services to Security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.22 Paper copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the relevant Application Form to investors upon request and free of charge. Requests for a paper copy form should be directed to the Company Secretary on info@montroyalres.com or (02) 8651 7800.

1.23 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Public Offer and the completion of an Application Form can be directed to the Company Secretary on info@montroyalres.com or (02) 8651 7800.

2. Company Overview

2.1 Company and Business Overview

The Company was incorporated on 26 March 2018 in Western Australia 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 and, other than as disclosed in this Prospectus, has not undertaken any activities since incorporation.

Since incorporation, the Company has acquired a 100% legal and beneficial interest in four exploration licences in Western Australia comprising the Edjudina Project which is considered to be prospective for Archaean lode style gold deposits (**Edjudina Tenements**). The tenements comprising the Edjudina Project are held in the name of the Company's wholly owned subsidiary, Mont Royal Exploration Australia Pty Ltd (**MR Exploration**).

In consideration of the acquisition of the tenements comprising the Edjudina Project, the Company has paid the following consideration to the Vendor in accordance with the Acquisition Agreement:

- (a) the allocation (to the Vendor or its nominees) of 250,000 Shares at an issue price of \$0.10 under the Seed Raising;
- (b) 600,000 Performance Rights on the terms and conditions set out in Section 7.3;
- (c) a cash payment of \$50,000 (including a cash deposit of \$10,000) as reimbursement of development expenditure.

Pursuant to the Acquisition Agreement, the Company also has an option to acquire an additional exploration licence comprising the Yule River Project which is prospective for Archaean mesothermal lode style gold deposits (**Yule River Tenement**).

If the Company chooses to exercise its option over the Yule River Project, in accordance with the Acquisition Agreement it will be required to issue to the Vendor 400,000 Shares at a deemed issue price of \$0.20 per Share.

The Vendor is not a related party of the Company. See Section 6.2 for further information on the Acquisition Agreement.

The Company has undertaken:

- (a) a placement of 6,000,000 Founder Shares issued on 11 April 2018 at \$0.01 per Share to raise a total of \$60,000 (before costs); and
- (b) a seed capital raising (**Seed Raising**) of 6,000,000 Shares issued on 12 November 2018 to sophisticated and professional investors at \$0.10 per Share to raise a total of \$600,000 (before costs),

in order to capitalise the Company and facilitate the proposed listing on ASX.

The Company's Board comprises Messrs Peter Ruse (Executive Director), Gary Lawler (Non-Executive Chairman) and Michael O'Keeffe (Non-Executive Director). The

Company Secretary is Mr Shaun Menezes. Further information on the Board is set out in Section 5.

The Company proposes to actively pursue further acquisitions which complement its existing focus. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both. The Company confirms that:

- (a) it is not currently considering other acquisitions; and
- (b) future acquisitions are likely to be in the mineral resource sector.

2.2 Current Capital Structure of the Company

As at the date of this Prospectus, the capital structure of the Company, and particulars of its current Security holders (and their related entities), are as follows:

Security holder	Shares ¹	%
Mr Peter Ruse (Director)	1,000,340	8.28
Mr Gary Lawler (Director)	200,000	1.66
Mr Michael O'Keefe (Director)	1,150,000	9.52
Centrepeak (Vendor) ²	250,000	2.07
Peloton (Lead Manager)	1,890,000	15.65
Non-related party Security holders	7,584,760	62.81
Shares on issue as at the date of this Prospectus	12,075,100	100

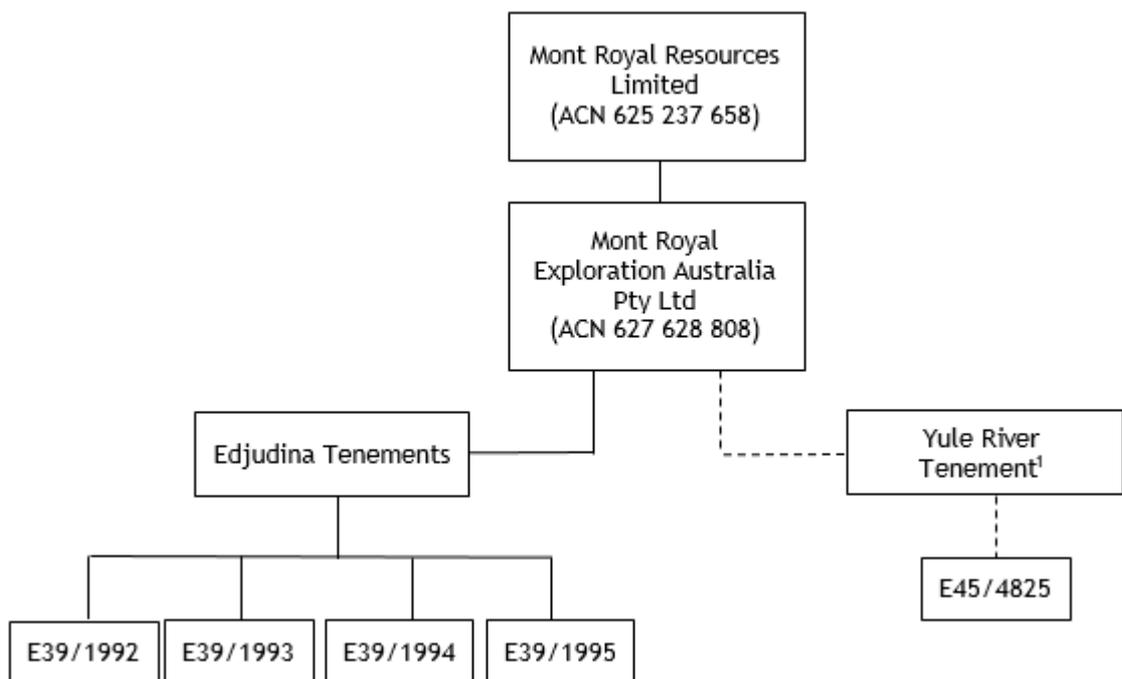
Security holder	Options ³	%	Performance Rights ⁵	%
Mr Peter Ruse (Director)	1,000,000 ⁴	25	-	-
Mr Gary Lawler (Director)	1,000,000 ⁴	25	-	-
Mr Michael O'Keefe (Director)	2,000,000 ⁴	50	-	-
Centrepeak (Vendor)	-	-	600,000 ⁶	100
Peloton (Lead Manager)	-	-	-	-
Non-related party Security holders	-	-	-	-
Securities on issue as at the date of this Prospectus	4,000,000	100	600,000	100

Notes:

1. Refer to Section 7.1 for a summary of the rights attaching to the Shares.
2. Pursuant to the Acquisition Agreement (summarised in Section 6.2), the Vendor (and its nominees) were allocated 250,000 Shares under the Seed Raising.
3. Refer to Section 7.2 for a summary of the rights attaching to the Options.
4. These Options are Director Options issued to the Directors pursuant to their respective engagement agreements with the Company (see Section 6.5 for details).
5. Refer to Section 7.3 for a summary of the rights attaching to the Performance Rights.
6. Issued to the Vendor in consideration for acquisition of the Edjudina Project pursuant to the Acquisition Agreement (summarised in Section 6.2).

2.3 Corporate Structure

Upon the Company's admission to the Official List, its corporate structure will be as set out in the following diagram:



Note: Ownership of the Yule River Project is subject to the Company exercising its option to acquire the Yule River Project in accordance with the Acquisition Agreement. See Section 6.2 for details of the terms of this option as contained in the Acquisition Agreement.

Mont Royal Exploration Australia Pty Ltd (**MR Exploration**) is a wholly owned (100%) subsidiary of the Company incorporated in Western Australia on 20 July 2018. MR Exploration is the legal and beneficial owner of the tenements comprising the Edjudina Project and its main business activity is mineral exploration. In the event the Company exercises the Yule River Option, it is intended that MR Exploration will be the registered holder of the tenement comprising the Yule River Project.

2.4 Overview of the Projects

(a) Tenements

A comprehensive summary of regional and local geology, historical mining and historical exploration pertaining to the Tenements is contained in the

Independent Geologist's Report in Schedule 3. A comprehensive summary of the status of the Tenements can be found in the Solicitor's Report in Schedule 2 of this Prospectus.

The Tenements are located in Western Australia, as shown in Figures 1 to 3 below:

Figure 1: Edjudina Project location

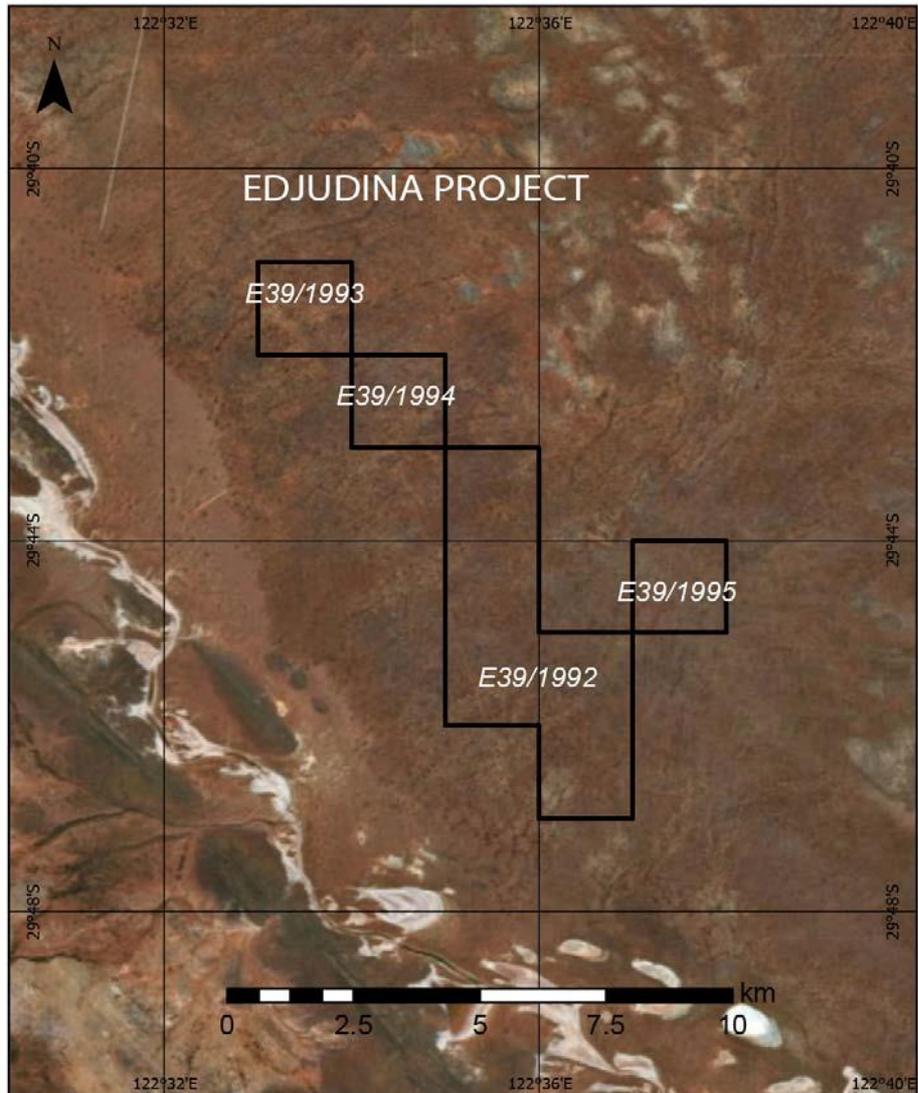


Figure 2: Yule River Project location

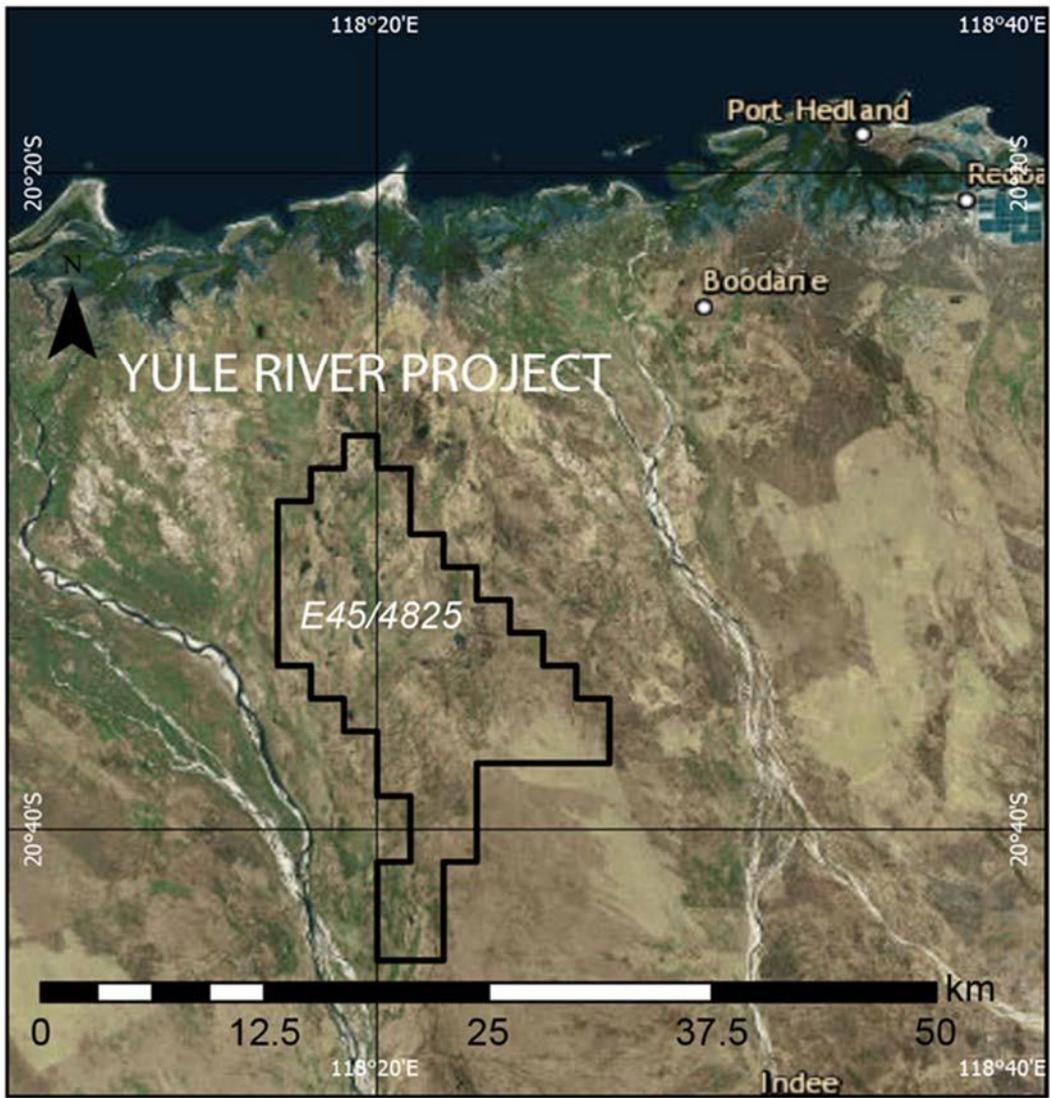
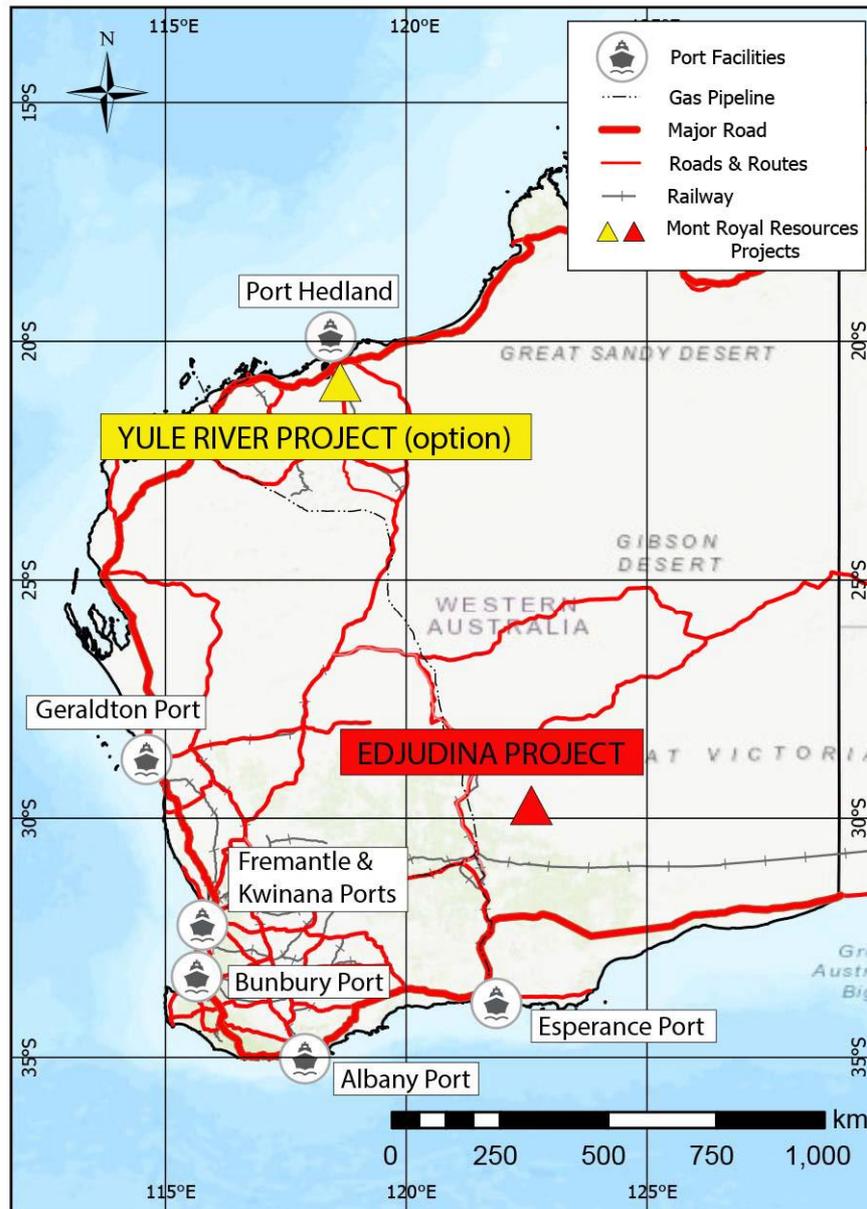


Figure 3: Project location map



(b) **Edjudina Project**

The Edjudina Project is located approximately 170km northeast of Kalgoorlie in Western Australia. The Edjudina Project covers an area of approximately 24km² and is considered prospective for structurally controlled lode gold.

For further information on the Edjudina Project, please see section 4 of the Independent Geologist's Report in Schedule 3.

(c) **Yule River Project**

The Yule River Project is situated approximately 40km to the southwest of Port Hedland in Western Australia. The Yule River Project covers an area of approximately 225km² and is considered prospective for Archaean mesothermal lode style gold deposits. The Yule River Project may also be prospective for base metals and possible lithium and tantalum from pegmatite dykes.

As at the date of the Prospectus, the Company is not the holder of the tenement comprising the Yule River Project but has been granted an option to acquire the Yule River Project pursuant to the Acquisition Agreement. For further details of the Yule River Option please refer to Section 6.2.

For further information on the Yule River Project, please see section 5 of the Independent Geologist's Report in Schedule 3.

2.5 Business strategy/objectives of the Company

Following Admission, the Company's primary focus will be on establishing a detailed field and subsequent drill program on the Edjudina Project and (if the Yule River Option is exercised) the Yule River Project, in order to assess the Company's development options. The initial objectives of the Company are to:

- (a) undertake exploration on the Company's Project(s) as follows:
 - (i) commence a systematic exploration program to advance the Edjudina Project over the 12-24 months following Admission comprising:
 - (A) completion of geophysical surveys over the entire tenement portfolio to determine structural and alteration trends;
 - (B) evaluation of geophysical results in conjunction with existing geochemical, geological and drill datasets to evaluate targets prior to maiden drill program;
 - (C) generated targets to be tested initially through aircore (AC)/rotary air blast (RAB) drilling, followed by reverse circulation (RC) and diamond drilling;
 - (D) where required, Mineral Resource estimate(s) to be calculated; and
 - (E) where required, completion of economic mining studies and mine development works,
- (b) swiftly evaluate the Yule River Project and decide whether to exercise the Company's option to purchase the Yule River Project (see Section 6.2 for details of the Yule River Option); and
- (c) pursue new projects and opportunistic acquisitions in the resource sector in various jurisdictions to create additional Shareholder value. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture, and/or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects. The Company confirms that:
 - (i) it is not currently considering other acquisitions; and
 - (ii) future acquisitions are likely to be in the mineral resource sector.

2.6 Proposed exploration budgets

The Company proposes to fund its intended exploration activities as outlined in the tables below from the proceeds of the Public Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken. This will involve an ongoing assessment of the Company's Projects and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budgets are proposed which takes into account the proposed expense over the next 2 years to complete initial exploration of the Tenements.

Project	Expenditure	Year 1 (\$)	Year 2 (\$)	Total (\$)
Edjudina Project	Data compilation	15,000	-	15,000
	Geophysical survey	250,000	-	250,000
	Exploration drilling	525,000	890,000	1,415,000
	Assaying	210,000	360,000	570,000
Total Edjudina Project		1,000,000	1,250,000	2,250,000
Yule River Project	Data compilation	25,000	-	25,000
	Geophysical survey	-	225,000	225,000
	Geochemical Sampling	-	250,000	250,000
Total Yule River Project		25,000	475,000	500,000
TOTAL		1,025,000	1,725,000	2,750,000

Note:

The table above is based upon a minimum capital raise of \$4,500,000. If the maximum raise of \$5,000,000 is achieved, the Company intends to increase its exploration spend by \$250,000 for exploration drilling on the Edjudina Project in Year 2.

2.7 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Projects and future acquisitions.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

3. Risk Factors

As with any investment in securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

Any investment in the Company under this Prospectus should be considered highly speculative.

3.1 Risks specific to the Company

(a) Limited history

The Company was incorporated on 26 March 2018 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.

(b) Contractual risk

Pursuant to the Acquisition Agreement the Company has an option to acquire a 100% legal and beneficial interest in the tenement comprising the Yule River Project from the Vendor.

The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(c) Project specific risks

The Edjudina Project and Yule River Project should be considered as grassroots exploration areas. Consequently, the projects have a high associated risk due to limited exploration having been conducted.

Much of the data available to the Company and the Independent Geologist in respect of the Projects is based on historical reports, primarily sourced from Western Australian mineral exploration reports. While the review of this data has been thorough, it is possible that not all reports were reviewed and the quality of the information is outside of the Company's control. It is possible that this may have a material impact on exploration results and the Company's exploration decisions.

In particular, the Independent Geologist was unable to undertake sufficient quality assurance checks in respect of the historical Yule River Project exploration data, and as a consequence, has not been able to satisfy itself of

the reliability of that data. Investors who become aware of historical exploration results on the Yule River Project are therefore cautioned not to rely on such exploration results.

(d) New projects and acquisitions

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from the Projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain. The Company confirms that:

- (i) it is not currently considering other acquisitions; and
- (ii) future acquisitions are likely to be in the mineral resource sector.

(e) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Public Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.

In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Public Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Public Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

3.2 Mining Industry Risks

(a) Title risk

The Company is the registered legal holder of the tenements comprising the Edjudina Project (via its subsidiary MR Exploration).

However, the Company does not have a registered legal interest in the Yule River Project at the date of this Report. It only holds an option to purchase the tenement comprising Yule River Project pursuant to the Acquisition Agreement.

The Company has the right to exercise the Yule River Option at any time prior to 10 October 2019. There are no conditions applicable to the exercise of this option. However, Ministerial consent will be required to transfer the Yule River Tenement on or before 6 September 2019. The Acquisition Agreement contemplates such consent being sought at the request of the Company. Section 6.2 contains a summary of the Acquisition Agreement including the terms of the Yule River Option.

There are no other conditions required to be satisfied in order for the Company to exercise this option under the Acquisition Agreement, although the Company needs to sign a deed of assignment and assumption in relation to the Wodgina Access Agreement prior to the transfer of the Yule River Tenement. Please refer to Solicitor's Report in Schedule 2 for further details of the Wodgina Access Agreement.

(b) Exploration and development risks

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.

Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk. In respect of the Projects, the reliability of the data used to produce the Independent Geologists Report in this regard is limited as it is historical in nature and could not be independently verified by the Independent Geologist.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process,

changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its projects.

(c) **Operating risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its projects. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(e) **Payment obligations**

Pursuant to the Tenements comprising the Projects, the Company will become subject to payment and other obligations. In particular, holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Tenements. Failure to meet these work commitments may render the Tenements subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Projects. Further details of these conditions and obligations are set out in section 6 in the Solicitor's Report.

(f) Metals and currency price volatility

The Company's ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of mineral commodities. Consequently, any future earnings are likely to be closely related to the price of the commodities involved and the terms of any off-take agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for commodities that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Metals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(g) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(h) Native title risks

There is a registered native title determination covering the tenement comprising the Yule River Project. There are no current native title claims or determinations overlapping any of the Edjudina Project, however there remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Edjudina Project or in the vicinity.

The existence of native title claims over the area covered by the Tenements, or a determination of native title over the area, will not impact the rights or

interests of the holder under the Tenements provided the Tenements have been validly granted in accordance with the Native Title Act.

However, if any Tenement was not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. There is nothing in our enquiries to indicate that any of the Tenements were not validly granted in accordance with the Native Title Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

(i) **Aboriginal Heritage Risk**

There is one Aboriginal site located on the area covered by the Yule River Project, and none located on the area of the Edjudina Project. However, there remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.

(j) **Third party risks**

Under Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including pastoral leases, native title, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Tenements.

All of the Tenements overlap pastoral leases, and the Yule River Project overlaps petroleum pipeline licences, a native title determination and miscellaneous licences.

Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

If the option is exercised in relation to the Yule River Project, any exploration or mining operations will be subject to the terms and conditions of the Wodgina Access Agreement and also subject to any applicable restrictions that may apply in respect of the other pipelines that overlap with the Yule River Tenement (please see sections 9 and 10.2 in the Solicitor's Report in Schedule 2 for further details). Depending on the location of any required operations, this may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

See Section 3.2(h) above for further information regarding risks associated with native title.

(k) **Environmental risk**

The operations and proposed activities of the Company are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to

conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(l) Licences, permits and approvals

On completion of the Acquisition Agreement, the Company will hold all material authorisations required to undertake the exploration programs described in this Prospectus. However, many of the mineral rights and interests to be held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

(m) Reliance on key personnel

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(n) **Conflicts of interest**

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in first instance. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

3.3 General Risks

(a) **Economic risks**

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(b) **Market conditions**

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Further, share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

(d) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect the Projects. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Litigation risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

3.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

4. Financial Information

4.1 Financial information

The Investigating Accountant's Report contained in Schedule 1 sets out:

- (a) the audited historical statement of financial position as at 15 November 2018; and
- (b) the audited historical statement of profit and loss and other comprehensive income for the period from 26 March 2018 (date of incorporation) to 15 November 2018.

Investors are urged to read the Investigating Accountant's Report in full.

4.2 Forecast financial information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

5. Board, Management and Corporate Governance

5.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Mr Peter Ruse - Executive Director;
- (b) Mr Gary Lawler - Non-Executive Chairman; and
- (c) Mr Michael O'Keefe - Non-Executive Director.

5.2 Directors' Profiles

The names and details of the Directors in office at the date of this Prospectus are:

(a) **Mr Peter Ruse - Executive Director**

B Comm, Grad Cert Applied Finance and Investment

Mr Ruse is a finance professional with over 10 years of extensive experience in Equity Funds Management and Private/Institutional Wealth Management specialising in Mining/Minerals and Industrial related sectors.

Mr Ruse has extensive private and public equity market experience as a former Executive Director/Portfolio Manager of ALR Investments Pty Limited, a Western Australian family office investment company.

Mr Ruse is also currently a Non-Executive Director of industrial company Plukka Limited (ASX:PKA).

(b) **Mr Gary Lawler - Non-Executive Chairman**

BA, LLB, LLM (Hons), Master of Laws (Applied Laws) (Wills and Estates), ASIA

Mr Lawler is a corporate lawyer with particular expertise in the areas of mergers and acquisitions and corporate governance, having practiced in this area for over 40 years.

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 brings a wealth of legal and business experience to the Board. He has held board positions with Dominion Mining Limited and Riversdale Mining Limited and is currently a director of Riversdale Resources Limited (unlisted), Cartier Iron Corporation (CNX:CFE) and Champion Iron Limited (ASX/TSX:CIA).

(c) **Mr Michael O'Keefe - Non-Executive Director**

B.App.Sc (Metallurgy)

A metallurgist by training, Mr O'Keefe has valuable knowledge of the mining industry and its issues, and experience managing large resources companies.

As Executive Chairman of Riversdale Mining Limited (2004-2011), Mr O'Keefe drove the development of this Australian mining company, taking it from a junior company with a market capitalization of A\$7m to a major company acquired by Rio Tinto for \$4 billion. During his tenure at Riversdale Mining, Michael raised approximately \$780 million for the company.

As Managing Director of Glencore Australia Limited (1995-2004), Michael was responsible for Glencore's Australian acquisitions. Under his management, the company's market share in Australia and South Asia greatly increased, and sales increased from \$100 million to \$2.4 billion.

At Mount Isa Mines (1975-1994), Mr O'Keefe rose up to executive management level in commercial activities of this mining company in Queensland, Australia. His mandates included feasibility studies for copper smelting and pursuing refining opportunities in Europe, Asia, North America and South America.

Mr O'Keefe currently also serves as Executive Chairman and CEO of Champion Iron Limited (ASX/TSX:CIA).

Mr Michael O'Keefe is also known by his full legal name, Mr William Michael O'Keefe.

5.3 Company Secretary

Shaun Menezes - Company Secretary

B Comm, LLB

Mr Menezes is a chartered accountant with over 15 years of experience working with Australian listed companies in various capacities. He was an executive director at leading international accounting firm Ernst & Young, has also held a senior management role with Mount Gibson Iron Limited and was recently the Finance Director and Company Secretary for Alliance Mineral Assets Limited (ASX:A40). Shaun is a member of the Institute of Chartered Accountants in Australia and the Governance Institute of Australia.

5.4 Interests of Directors

Except as disclosed in this Prospectus, no Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Public Offer; or
- (c) the Public Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (a) any Director to induce him or her to become, or to qualify as, a Director; or

- (b) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Public Offer.

5.5 Security holdings of Directors

The Directors and their related entities have the following interests in Securities as at the date of this Prospectus:

Director	Shares	% ¹	Options	% ¹
Mr Peter Ruse	1,000,340	8.28	1,000,000 ²	25
Mr Gary Lawler	200,000	1.66	1,000,000 ²	25
Mr Michael O'Keefe	1,150,000	9.52	2,000,000 ²	50

Notes:

- Based on 12,075,100 Shares and 4,000,000 Options being on issue at the date of this Prospectus.
- Comprising the following Director Options:
 - 1,500,000 Class A Director Options;
 - 1,250,000 Class B Director Options; and
 - 1,250,000 Class C Director Options,

issued pursuant to their respective engagement agreements with the Company. See Section 6.5 for details as to the Director's entitlements to Director Options.

Based on the intentions of the Directors at the date of this Prospectus in relation to the Public Offer, the Directors and their related entities will have the following interests in Securities on Admission:

Director	Shares	% ¹	Options	% ¹
Mr Peter Ruse	2,000,340	5.69	1,000,000 ²	25
Mr Gary Lawler	700,000	1.99	1,000,000 ²	25
Mr Michael O'Keefe	2,150,000	6.11	2,000,000 ²	50

Notes:

- Based on there being 35,175,100 Shares and 4,000,000 Options on issue at Admission, which assumes the minimum subscription under the Public Offer, all Performance Rights have converted to Shares and no further Shares are issued or Options exercised, other than as described in this Prospectus.
- Comprising the following Director Options:
 - 1,500,000 Class A Options;
 - 1,250,000 Class B Options; and
 - 1,250,000 Class C Options,

issued on the terms and conditions detailed in Section 7.2, pursuant to the Directors' respective engagement agreements with the Company. See Section 6.5 for details as to the Director's entitlements to Director Options.

5.6 Remuneration of Directors

Mr Ruse was appointed as a Director on 26 March 2018. On 26 November 2018, Mr Ruse entered into an executive consultancy agreement with the Company, pursuant to which he receives a consultancy fee of \$85,000 per year (excluding GST) for services provided as Executive Director of the Company commencing from his appointment. See Section 6.5(a).

Mr Lawler was appointed as Director on 15 October 2018 and Mr O'Keeffe was appointed as Director on 9 October 2018. On 15 October and 9 October 2018 respectively, Messrs Lawler and O'Keeffe entered into non-executive director letters of appointment with the Company (which were both subsequently amended by way of deeds of amendment dated 28 November 2018). Pursuant to the letters of appointment, Mr Lawler will receive remuneration of \$65,700 per year and Mr O'Keeffe will receive remuneration of \$50,000 per year for services provided to the Company as Non-Executive Directors. Payment of this remuneration commenced 1 January 2019. See Section 6.5(b) for further details.

5.7 Related Party Transactions

The Company has entered into the following related party transactions on arms' length terms:

- (a) executive consultancy agreement or letters of appointment with each of its Directors on standard terms (refer to Section 6.5 for details);
- (b) a Lead Manager Mandate with Peloton on standard terms (refer to Section 6.4 for details); and
- (c) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 6.6 for details).

At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

5.8 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan will be

available in a dedicated corporate governance information section of the Company's website at www.montroyalres.com.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's Securities;
- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and the Company has in place written agreements with each Director which detail the terms of their appointment.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of one Executive Director, and two Non-Executive Directors (both of whom the Board considers independent).

As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Identification and management of risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) Independent professional advice

Subject to the Chair's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) Remuneration arrangements

The remuneration of any Executive Director will be decided by the Board and must not be calculated as a commission on, or percentage of, operating revenue.

In addition to annual fees, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) Securities trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(h) **Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. However, given the current stage of the Company's operations and number of employees the Company has determined at this stage not to formally adopt a diversity policy. The Company will re-assess this as the Company grows.

(i) **Audit and risk**

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

(j) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

5.9 Departures from Recommendations

Following Admission, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

Principles and Recommendations	Explanation for Departures
2.1 The board of a listed entity should have a nomination committee.	<p>The Company does not comply with Principle 2.1. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</p> <p>Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</p>

Principles and Recommendations	Explanation for Departures
4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive.	<p>The Board has not established a separate audit committee. The full Board carries out the duties that would ordinarily be assigned to the audit committee.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate audit committee.</p>
7.1 The board of a listed entity should have a risk committee.	<p>The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</p>
8.1 The board of a listed entity should have a remuneration committee of at least three members, a majority of whom are independent.	<p>The Board as a whole performs the function of the Remuneration committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p> <p>The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate remuneration committee.</p>

6. Material Contracts

6.1 Introduction

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Securities under the Public Offer. The provisions of such material contracts are summarised in this Section.

6.2 Acquisition Agreement

The Company and the Vendor are party to an agreement dated 10 October 2018, providing for the sale and purchase of the tenements comprising the Edjudina Project and an option to purchase the tenement comprising the Yule River Project (**Acquisition Agreement**).

Sale and purchase of Edjudina Tenements

The sale and purchase of the Edjudina Project was completed in accordance with the Acquisition Agreement on 3 December 2018 and MR Exploration became the registered holder of the tenements comprising the Edjudina Project on 13 December 2018.

Consideration paid by the Company for the sale and purchase of the Edjudina Project comprised:

- (a) cash consideration of \$50,000 (including a \$10,000 cash deposit) as reimbursement of development expenditure; and
- (b) the issuance of 600,000 Performance Rights (issued on the terms and conditions set out in Section 7.3).

In the event that ASX determines that the Vendor is a promoter under the Listing Rules, it may require that the Company demonstrate that the cash consideration is a reimbursement of expenditure incurred in developing the Tenements. If this occurs, the Vendor will:

- (a) provide to the Company as soon as possible, documents including but not limited to invoices, receipts, bank statements and financial statements evidencing expenditure on the Tenements of at least \$50,000; and
- (b) apply any funds that ASX deems not to be a reimbursement of expenditure incurred in developing the Tenements to subscribe for restricted Shares in the Company on the same terms as the Public Offer.

Option to purchase the Yule River Project

Under the Acquisition Agreement, the Vendor also grants the Company an exclusive option (**Yule River Option**) to purchase the tenement comprising the Yule River Project. The Yule River Option is valid for 12 months from the execution date of the Acquisition Agreement (being until 9 October 2019) (**Option Period**).

If the Company exercises the Yule River Option during the Option Period, the Company must issue to the Vendor (or its nominee) 400,000 Shares at a deemed issue price of \$0.20 per Share (for an aggregate value of \$80,000) in consideration for the transfer of the tenement comprising the Yule River Project.

At any time during the Option Period, the Company may require that all parties endeavour to obtain Ministerial consent to transfer the tenement comprising the Yule River Project to the Company (or its nominee) as soon as practicable and prior to the end of the Option Period.

General

The Company agreed to offer the Vendor (or its nominee) an allocation of up to 250,000 Shares at an issue price of \$0.10 under the Seed Raise. The Vendor (and its nominees) took up this full allocation and were issued 250,000 Shares under the Seed Raise on 12 November 2018.

The Acquisition Agreement includes various warranties from the Vendor in favour of the Company in respect of the Tenements which are considered standard for a transaction of this nature.

Please refer to Solicitor's Report in Schedule 2 for further details of the Acquisition Agreement.

6.3 Wodgina Access Agreement

Centrepeak is party to an access agreement with Wodgina Lithium Pty Ltd dated 25 January 2018. Wodgina is the holder of L45/108 which overlaps the Yule River Project, and on which a petroleum pipeline (**Wodgina Pipeline**) is located. Wodgina lodged an objection to the grant of the tenement comprising the Yule River Project on 20 September 2018 which was resolved by way of the Wodgina Access Agreement and withdrawn on 23 February 2018.

The Wodgina Access Agreement governs the interaction of the parties' respective rights under their respective tenure, including a regime governing the interaction of the parties' respective rights under their tenure and activities in the area of overlap between the Yule River Project and L45/108.

The Wodgina Access Agreement permits assignment by Centrepeak or Wodgina of the Yule River Tenement or L45/108 (respectively), provided the relevant assignee enters into a deed of assignment and assumption agreeing to be bound by the assignor's obligations under the Wodgina Access Agreement as if named as a party to the agreement. Accordingly, if the Company exercises the Yule River Option, it will need to enter into a deed of assignment and assumption agreeing to be bound by Centrepeak's obligations under the Wodgina Access Agreement prior or contemporaneously with completion of the acquisition.

Please refer to Solicitor's Report in Schedule 2 for further details of the Wodgina Access Agreement.

6.4 Lead Manager Mandate

On 16 August 2018, the Company entered into a mandate with Peloton to provide corporate services in relation to the Seed Raising and act as lead manager in respect of the Public Offer (**Lead Manager Mandate**).

The Company will pay the following fees to Peloton (or its nominees) pursuant to the Lead Manager Mandate:

- (a) in respect of the Seed Raising:
 - (i) 1% management fee; and
 - (ii) 5% capital raising fee (to be paid after the IPO is completed), and
- (b) in respect of the Public Offer:
 - (i) 1% management fee;
 - (ii) 4% capital raising fee;
 - (iii) 1% introduction fee; and
 - (iv) \$20,000 success fee payable on Admission, subject to completion of the Public Offer with a minimum of \$5,500,000 received of valid subscriptions in the Public Offer book build.

Peloton is also entitled to a fee of \$3,000 per month (plus GST) for a period of 12 months following Admission in consideration for corporate advisory services provided to the Company under the Lead Manager Mandate.

Peloton has a right of first refusal to be the Company's exclusive financial adviser, capital markets adviser or placement agent (as applicable) in connection with any:

- (a) acquisition or disposition transactions in which the Company will engage a financial advisor; and/or
- (b) public or private offering of equity, equity linked, debt or asset backed securities.

The right of first refusal applies during Peloton's engagement under the Lead Manager Mandate and for a period of 24 months thereafter.

Please see Section 1.7 for further information regarding Peloton's interests in the Public Offer.

6.5 Director agreements

(a) Executive Consultancy Agreement - Mr Peter Ruse

On 26 November 2018, the Company entered into an executive consultancy agreement with Mr Peter Ruse (**Ruse Agreement**).

Under the Ruse Agreement, Mr Ruse is engaged by the Company to provide executive services to the Company as Executive Director. The Company will remunerate Mr Ruse for his services with an executive remuneration package comprising the following:

- (i) a consultancy fee of \$85,000 (excluding GST) per year commencing from his appointment in March 2018 (**Consultancy Fee**);
- (ii) the following long-term incentive Options;
 - (A) Class A: 500,000 Options at an exercise price of \$0.25, with an expiry date 3 years from the Admission Date;
 - (B) Class B: 250,000 Options at an exercise price of \$0.30, with an expiry date 3 years from the Admission Date; and
 - (C) Class C: 250,000 Options at an exercise price of \$0.35, with an expiry date 3 years from the Admission Date,

to be issued on the terms and conditions set out in section 7.2.

Mr Ruse is also entitled to participate in bonus and/or other incentive schemes that may be implemented in the future.

The Consultancy Fee and terms of the Ruse Agreement will be reviewed on an annual basis by reference to (among other things) Mr Ruse's personal performance and achievement of agreed key performance indicators.

Mr Ruse is entitled to reimbursement for reasonable expenses necessarily incurred in the performance of his services as Executive Director.

The Ruse Agreement is for an indefinite term, continuing until terminated by either the Company or Mr Ruse giving 3 months' written notice of termination to the other party (or shorter period in limited circumstances).

As Executive Director, Mr Ruse shall (amongst other things):

- (i) be responsible for the overall management and supervision of the activities, operations and affairs of the Company subject to the overall control and direction of the Board;
- (ii) be engaged as a consultant of the Company and during usual business hours and such additional hours in accordance with work demands; and
- (iii) use his best endeavours to promote the interests of the Company.

Mr Ruse is also subject to restrictions in relation to the use of confidential information during and after his consultancy ceases. Mr Ruse is also warrants to immediately inform the Company of any matter that may come to his attention during the term of his consultancy that may be of interest to the Company or may be of service for the furtherance of the Company's business.

(b) **Non-Executive Director Agreements - Messrs Gary Lawler and Michael O'Keeffe**

The Company has entered into a non-executive director letter agreement with each of Messrs Lawler and O'Keeffe pursuant to which the Company has agreed to pay Messrs Lawler and O'Keeffe \$65,700 and \$50,000 respectively, for services provided to the Company as Non-Executive Directors.

On 21 December 2018, pursuant to their respective agreements, Mr Lawler and Mr O'Keefe were issued with Director Options as follows, on the terms and conditions set out in Section 7.2:

- (i) Mr Lawler:
 - (A) Class A: 500,000 Options at an exercise price of \$0.25, with an expiry date 3 years from the Admission Date;
 - (B) Class B: 250,000 Options at an exercise price of \$0.30, with an expiry date 3 years from the Admission Date; and
 - (C) Class C: 250,000 Options at an exercise price of \$0.35, with an expiry date 3 years from the Admission Date.
- (ii) Mr O'Keeffe:
 - (A) Class A: 500,000 Options at an exercise price of \$0.25, with an expiry date 3 years from the Admission Date;
 - (B) Class B: 750,000 Options at an exercise price of \$0.30, with an expiry date 3 years from the Admission Date; and
 - (C) Class C: 750,000 Options at an exercise price of \$0.35, with an expiry date 3 years from the Admission Date.

6.6 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors and the Company Secretary. Under these deeds, the Company indemnifies each Director and the Company Secretary to the extent permitted by law against any

liability arising as a result of the Director or Company Secretary acting as a director or company secretary of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director or Company Secretary and must allow the Directors and Company Secretary to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

7. Additional information

7.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

7.2 Terms of Director Options

The following terms and conditions apply to the Director Options:

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Issue Price):** The Options will be issued for nil consideration.
- (c) **(Exercise Price):** The Options have the following exercise prices:

Options	Exercise Price
Class A Options:	\$0.25
Class B Options:	\$0.30
Class C Options:	\$0.35

- (d) **(Expiry Date):** Each Option will expire at 5:00pm (WST) on the date that is 3 years from the Admission Date. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (f) **(Quotation of the Options):** The Options will be unquoted.
- (g) **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company.
- (h) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

- (i) **(Lodgement instructions):** Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Share Registry.
- (j) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then Shares of the Company.
- (k) **(Quotation of Shares on exercise):** Application will be made by the Company to ASX, on the business day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.
- (l) **(Timing of issue of Shares):** Within 15 business days after the later of the following:
 - (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
 the Company will:
 - (iii) issue the Shares pursuant to the exercise of the Options;
 - (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (m) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (o) **(Adjustment for entitlements issue):** If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph (p) will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

- (p) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the Listing Rules.

7.3 Terms of Performance Rights

The following terms and conditions apply to the Performance Rights:

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on exercise, to the issue of one Share.
- (b) **(Milestones):** Subject to these terms and conditions, the vesting of a Performance Right is subject to the satisfaction of the relevant Milestone specified below:

Performance Rights	Number	Milestones
Performance Rights	600,000	Completion of the Public Offer

- (c) **(Vesting):** The Performance Rights will vest on the date the Milestone relating to those Performance Rights has been satisfied. The Company will notify the holder in writing when the relevant Milestones have been satisfied (**Vesting Notice**).
- (d) **(Consideration):** The Performance Rights will be granted for nil cash consideration and no consideration will be payable upon the issue of Shares after vesting.
- (e) **(Exercise Price):** The Exercise Price of each vested Performance Right is nil.
- (f) **(Expiry Date):** Each Performance Right will expire and lapse on the earlier to occur of:
- (i) the Board resolving that the Milestone has become incapable of satisfaction, for example, due to the Company failing to be admitted to the official list of ASX by 1 June 2019;
 - (ii) 5:00pm WST on the date which is 3 years after the date of grant.

For the avoidance of doubt any vested but unexercised Performance Rights will automatically lapse on the Expiry Date.

- (g) **(Conversion):** Upon vesting, each Performance Right will, automatically, convert into one Share.
- (h) **(Transfer):** The Performance Rights are not transferable.
- (i) **(Shares issued on exercise):** All Shares issued upon the exercise of Performance Rights will upon issue rank pari passu in all respects with the then Shares of the Company.

7.4 Summary of the Company's Employee Securities Incentive Plan

The Mont Royal Resources Incentive Plan (**Plan**) was adopted by the Board on 5 March 2019. The full terms of the Plan may be inspected at the registered office of the

Company during normal business hours. A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging

their economic exposure to a Convertible Security that has been granted to them.

- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

7.5 Effect of the Public Offer on control and substantial Shareholders

Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below. See Section 2.1(b) for further details on each of the Shareholders' holdings as listed in the tables below.

Name	Shares ³	%
Peloton Capital ⁴	1,890,000	15.6
Prospect AG Trading Pty Ltd ¹	1,150,000	9.5
High Peaks Capital Pty Ltd ²	1,000,340	8.3
Kero Investments Pty Ltd	950,000	7.8
Quartz Mountain Mining Pty Ltd	850,000	7.0
Mr Geoffrey John Fennell & Carmel Ann Fennell <Gemica Super Fund A/c>	750,000	6.2
Moutier Pty Ltd <JB Pension Fund A/c>	650,000	5.4
BJS Robb Pty Ltd ⁴	600,000	5.0

Notes:

1. Prospect AG Trading Pty Ltd is a company associated with Michael O'Keefe.
2. High Peaks Capital Pty Ltd is a company associated with Peter Ruse.
3. Based on there being 12,075,100 Shares on issue at the date of this Prospectus.
4. BJS Robb Pty Ltd is an associate of Peloton Capital. The 600,000 Shares held by BJS Robb Pty Ltd are included in the 1,890,000 Shares held by Peloton Capital and its associates referred to in the above table.

Based on the information known as at the date of this Prospectus, on Admission the following persons will have an interest in 5% or more of the Shares on issue:

Name	Shares	%
Peloton Capital	2,890,000	8.2
Prospect AG Trading Pty Limited	2,150,000	6.1
Quartz Mountain Mining Pty Ltd	2,100,000	5.9
High Peaks Capital Pty Ltd	2,000,340	5.6

Notes:

1. Based on there being 35,175,100 Shares on issue at Admission, which assumes:
 - (i) the minimum subscription under the Public Offer;
 - (ii) all Performance Rights have converted to Shares; and
 - (iii) no further Shares are issued or Options exercised, other than as described in this Prospectus.

7.6 Interests of Promoters, Experts and Advisers

(a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Public Offer; or
- (iii) the Public Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Public Offer.

(b) Share Registry

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

(c) **Auditor**

BDO Audit (WA) Pty Ltd has been appointed to act as auditor to the Company. The Company will pay a fee of \$3,000 to 4,000 (excluding GST) for services in connection with the audited accounts of the Company for the year ended 15 November 2018. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Audit (WA) Pty Ltd has not received any other fees from the Company.

(d) **Investigating Accountant**

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Schedule 1 of this Prospectus. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd a total of \$8,000 to \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd has not provided any other services to the Company.

(e) **Independent Geologist**

SRK Consulting (Australasia) Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Schedule 3 of this Prospectus. The Company estimates it will pay SRK Consulting (Australasia) Pty Ltd a total of \$24,000 (excluding GST) for these services, of which approximately \$10,000 (excluding GST) has been paid. During the 24 months preceding lodgement of this Prospectus with ASIC, SRK Consulting (Australasia) Pty Ltd has not provided any other services to the Company.

(f) **Solicitors**

Bellanhouse has acted as the Solicitors to the Company in relation to the Public Offer and has prepared the Solicitor's Report which is included in Schedule 2 of this Prospectus. The Company estimates it will pay Bellanhouse a total of \$40,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Bellanhouse has not provided any other services to the Company.

(g) **Lead Manager and Corporate Advisor**

Peloton has acted as lead manager to the Public Offer and corporate advisor to the Company and for this is entitled to be paid fees in accordance with the Lead Manager Mandate summarised in Section 6.4. During the 24 months preceding lodgement of this Prospectus with ASIC, Peloton has not provided any other services to the Company.

7.7 Consents

(a) **General**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus.

Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below:

- (i) does not make the Public Offer;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) Share Registry

Automic Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) Auditor

BDO Audit (WA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

(d) Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included.

(e) Independent Geologist

SRK Consulting (Australasia) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Geologist's Report in the form and context in which it is included.

(f) **Solicitors**

Bellanhouse has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Solicitors to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Solicitor's Report in the form and context in which it is included.

(g) **Lead Manager and Corporate Advisor**

Peloton has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the lead manager to the Public Offer and corporate advisor to the Company in the form and context in which it is named.

7.8 Expenses of Public Offer

The total approximate expenses of the Public Offer payable by the Company are:

Items of expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASX quotation and ASIC lodgement fee	63,000	65,000
Legal fees	40,000	40,000
Share registry fees	2,000	2,000
Investigating Accountant fees	10,000	10,000
Independent Geologist fees	24,000	24,000
Tenement transfer fees and stamp duty	4,000	4,000
Capital raising fees ¹	306,000	356,000
Printing, postage and administration fees	5,000	5,000
TOTAL	454,000	506,000

Notes:

1. Includes the management fee, capital raising fee, introduction fee and success fee payable to Peloton pursuant to the Lead Manager Mandate (refer to Section 6.4).

7.9 Continuous Disclosure Obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX.

In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

7.10 Litigation

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

7.11 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

7.12 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 7.6 of this Prospectus.

7.13 Statement of Directors

The Directors report that after due enquiries by them, since the date of the financial statements in the Investigating Accountant's Report in Schedule 1, they are not aware of any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

8. Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to be 'Peter Ruse', written in a cursive style.

Mr Peter Ruse
Executive Director
Dated: 5 March 2019

9. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Acquisition means the acquisition of the Tenements in accordance with the Acquisition Agreement.

Acquisition Agreement means the binding terms sheet dated 10 October 2018 between Mont Royal and the Vendor summarised at Section 6.2.

Admission means admission of the Company to the Official List, following completion of the Public Offer.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares pursuant to this Prospectus.

Application Form means the Application Form accompanying this Prospectus in respect of the Public Offer.

Application Monies means application monies for Shares under the Public Offer received and banked by the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement.

Auditor or **BDO Audit** means BDO Audit (WA) Pty Ltd ABN 79 112 284 787.

Bellanhouse means Bellanhouse Pty Ltd ACN 164 886 088.

Board means the board of Directors of the Company as at the date of this Prospectus.

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement.

Closing Date means the date that the Public Offer closes which is 5.00pm (WST) on 8 April 2019 or such other time and date as the Board determines.

Company or **Mont Royal** means Mont Royal Resources Limited ACN 625 237 658.

Company Secretary means the secretary of the Company.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Department means the Department of Mines, Industry Regulation and Safety, Government of Western Australia.

Director Options means the following Options issued to the directors on 21 December 2018 on the terms and conditions set out in Section 7.2:

- (a) 1,500,000 Class A Options;
- (b) 1,250,000 Class B Options; and
- (c) 1,250,000 Class C Options.

Directors means the directors of the Company.

Edjudina Project means the project comprised of exploration licences E39/1992, E39/1993/, E39/1994 and E39/1995.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website www.montroyalres.com.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Founder Shares means Shares issued to sophisticated and professional investors at an issue price of \$0.01 on 11 April 2018.

GST means Goods and Services Tax.

Independent Geologist or SRK Consulting means SRK Consulting (Australasia) Pty Ltd ABN 56 074 271 720.

Independent Geologist's Report means the report contained in Schedule 3 prepared by the Independent Geologist.

Indicative Timetable means the indicative timetable for the Public Offer on page ix of this Prospectus.

Investigating Accountant or BDO Corporate Finance means BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045.

Investigating Accountant's Report means the report contained in Schedule 1.

Issue Date means the date, as determined by the Directors, on which the Securities offered under Public Offer are issued, which is anticipated to be the date identified in the Indicative Timetable.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

Lead Manager or Peloton means Peloton Capital Pty Ltd ACN 149 540 018.

Lead Manager Mandate means the mandate between the Company and the Lead Manager dated 16 August 2018 as summarised in Section 6.4.

Listing Rules means the listing rules of ASX.

Mining Act means the *Mining Act 1978 (WA)*, or any amendment or statutory replacement of that Act and includes the regulations and orders made under that Act.

MR Exploration means Mont Royal Exploration Australia Pty Ltd ACN 627 628 808.

Official List means the official list of ASX.

Official Quotation means official quotation of the Shares by ASX in accordance with the Listing Rules.

Opening Date means the date specified as the opening date of the Public Offer in the Indicative Timetable.

Option means an option to acquire a Share.

Performance Rights means the 600,000 performance rights issued to the Vendor on 9 January 2019 pursuant to the Acquisition Agreement on the terms and conditions set out in Section 7.3.

Projects means the Edjudina Project and the Yule River Project.

Prospectus means this prospectus dated 5 March 2019.

Public Offer means the offer of a minimum of 22,500,000 and a maximum of 25,000,000 Shares at \$0.20 each to raise a minimum of \$4,500,000 and a maximum of \$5,000,000 (before costs).

Public Offer Price means \$0.20 per Share under the Public Offer.

Revenue Office means the Commission of State Revenue, Western Australia.

Section means a section of this Prospectus.

Securities means any securities, including Shares, Options and Performance Rights, issued or granted by the Company.

Seed Raising has the meaning ascribed in Section 2.1.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Automic Pty Ltd ACN 152 260 814.

Shareholder means a holder of one or more Shares.

Solicitor's Report means the report contained in Schedule 2.

Solicitors means Bellanhouse.

Tenements means the tenements comprising the Edjudina Project and the Yule River Project.

Vendor means Centrepeak Resources Group Pty Ltd ACN 604 084 282.

WST means Western Standard Time, being the time in Perth, Western Australia.

Yule River Project means the project comprised of exploration licence E45/4825.

Yule River Option means the Company's exclusive option to acquire the tenement comprising the Yule River Project pursuant to the Acquisition Agreement.

Schedule 1 - Investigating Accountant's Report



MONT ROYAL RESOURCES LIMITED
Investigating Accountant's Report

27 February 2019

27 February 2019

The Directors
Mont Royal Resources Limited
Ground Floor, 22 Stirling Highway
NEDLANDS WA 6009

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Mont Royal Resources Limited ('Mont Royal' or 'the Company') to prepare this Investigating Accountant's Report ('Report') in relation to certain financial information of Mont Royal, for the Initial Public Offering of shares in Mont Royal, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 25,000,000 Shares at an issue price of \$0.20 each to raise up to \$5 million before costs ('the Offer'). The Offer is subject to a minimum subscription level of 22,500,000 to raise \$4,500,000.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a review engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **‘Historical Financial Information’**) of Mont Royal included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income for the period from incorporation (26 March 2018) to 15 November 2018; and
- the audited historical Statement of Financial Position as at 15 November 2018.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company’s adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Mont Royal for the period from incorporation (26 March 2018) to 15 November 2018, which was audited by BDO Audit (WA) Pty Ltd (**‘BDO Audit’**) in accordance with the Australian Auditing Standards. BDO Audit issued an unmodified audit opinion on the financial report.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the **‘Pro Forma Historical Financial Information’**) of Mont Royal included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 15 November 2018.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Mont Royal, after adjusting for the effects of the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company’s actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Mont Royal to illustrate the impact of the event(s) or transaction(s) described in Section 7 of our Report on Mont Royal’s financial position as at 15 November 2018. As part of this process, information about Mont Royal’s financial position has been extracted by Mont Royal from Mont Royal’s financial statements for the period ended 15 November 2018.

3. Directors’ responsibility

The directors of Mont Royal are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the Statement of Profit or Loss and Other Comprehensive Income of Mont Royal for the period ended 15 November 2018; and
- the Statement of Financial Position of Mont Royal as at 15 November 2018.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Mont Royal as at 15 November 2018.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 15 November 2018:

- On 3 December 2018, the acquisition agreement relating to the Company's purchase of the Edjudina Project was completed ('**Acquisition Agreement**'). Consideration payable for the acquisition included the following:
 - A cash payment of \$50,000 (including a cash deposit of \$10,000) as reimbursement of development expenditure; and
 - The issue of 600,000 performance rights, which will vest upon completion of the Offer. The terms of the performance rights are detailed in section 7.3 of the Prospectus. The performance rights have been valued at \$0.10 per right, based on the price of the most recent capital raising prior to the issue of the performance rights.
- Pursuant to the Acquisition Agreement, the vendor also granted the Company an option to purchase the tenement comprising the Yule River Project ('**Yule River Option**'). The

Yule River Option is valid until 9 October 2019 and is exercisable through the issue of 400,000 shares in Mont Royal at a deemed issue price of \$0.20 per share (for an aggregate value of \$80,000). The value of the Yule River Option is reflected in the acquisition consideration as outlined above and therefore no additional adjustment has been made to reflect the acquisition of this option; and

- The Company issued 75,000 shares to a consulting geologist for services provided to the Company prior to 15 November 2018. The shares have been valued at \$0.10 per share, with the value of the shares (\$7,500) reflected in reserves and accumulated losses. Subsequent to balance date, the Company issued these shares, therefore the value of these shares have been transferred from reserves to issued capital.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Mont Royal not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 15 November 2018 and the following transactions and events relating to the issue of Shares under this Prospectus:

- As part of the Offer, Mont Royal will issue up to 25,000,000 Shares at an issue price of \$0.20 each to raise up to \$5 million before costs. The Offer is subject to a minimum subscription level of 22,500,000 to raise \$4,500,000;
- Total cash costs are estimated to be \$454,000 under the minimum subscription and \$506,000 under the maximum subscription (**'Costs of the Offer'**). Those costs which relate directly to the capital raising are to be offset against contributed equity while the remaining costs are to be expensed. The costs directly attributable to the capital raising have been assessed to be \$333,500 under the minimum subscription and \$383,500 under the maximum subscription, which have been offset against contributed equity. The remaining Costs of the Offer (those not directly attributable to the capital raising) have been expensed through accumulated losses, the amounts being \$120,500 and \$122,500 under the minimum and maximum subscriptions respectively; and
- As noted in section 6 of this Report, the Vendors were issued 600,000 performance rights pursuant to the Acquisition Agreement. On completion of the Offer, these performance rights will vest and convert to shares. The shares being issued on vesting of the performance rights have been valued at the Offer price of \$0.20 (**'Vendor Shares'**). The value of the performance rights, once vested, have been eliminated from reserves and transferred to issued capital. The difference between the value of the performance rights at the time of issue (valued at \$0.10 per right) and the value of the Vendor Shares being issued upon vesting (post-listing value of \$0.20 per share) has been reflected through an increase in exploration and evaluation assets.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO Audit is the auditor of Mont Royal.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Peter Toll

Director

APPENDIX 1
MONT ROYAL RESOURCES LIMITED
HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income	Audited for the period ended 15-Nov-18
	\$
Expenses	
Corporate	(209,134)
Initial public offering	(27,047)
Loss before tax	(236,181)
Income tax expense	-
Loss for the period	(236,181)
Other comprehensive income	-
Total comprehensive loss for the period attributable to the members	(236,181)

The Historical Statement of Profit or Loss and Other Comprehensive Income shows the historical financial performance of Mont Royal and is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 2
MONT ROYAL RESOURCES LIMITED
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Statement of Financial Position		Audited as at 15-Nov-18	Subsequent events	Pro-forma adjustments Minimum	Pro-forma adjustments Maximum	Pro-forma balance Minimum	Pro-forma balance Maximum
Note		\$	\$	\$	\$	\$	\$
CURRENT ASSETS							
Cash and cash equivalents	2	587,300	(40,000)	4,046,000	4,494,000	4,593,300	5,041,300
Trade and other receivables		1,831	-	-	-	1,831	1,831
TOTAL CURRENT ASSETS		589,131	(40,000)	4,046,000	4,494,000	4,595,131	5,043,131
NON-CURRENT ASSETS							
Other assets	3	50,000	(50,000)	-	-	-	-
Exploration and evaluation	4	-	110,000	60,000	60,000	170,000	170,000
TOTAL NON-CURRENT ASSETS		50,000	60,000	60,000	60,000	170,000	170,000
TOTAL ASSETS		639,131	20,000	4,106,000	4,554,000	4,765,131	5,213,131
CURRENT LIABILITIES							
Trade and other payables	5	123,158	(40,000)	-	-	83,158	83,158
TOTAL CURRENT LIABILITIES		123,158	(40,000)	-	-	83,158	83,158
TOTAL LIABILITIES		123,158	(40,000)	-	-	83,158	83,158
NET ASSETS		515,973	60,000	4,106,000	4,554,000	4,681,973	5,129,973
EQUITY							
Issued capital	6	629,001	7,500	4,286,500	4,736,500	4,923,001	5,373,001
Reserves	7	123,153	52,500	(60,000)	(60,000)	115,653	115,653
Accumulated losses	8	(236,181)	-	(120,500)	(122,500)	(356,681)	(358,681)
TOTAL EQUITY		515,973	60,000	4,106,000	4,554,000	4,681,973	5,129,973

* The cash and cash equivalents balance above does not account for working capital movements over the period from 15 November 2018 until completion. We have been advised that Mont Royal's operating costs subsequent to 15 November 2018 are \$84,800.

The pro forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5.

APPENDIX 3
MONT ROYAL RESOURCES LIMITED
HISTORICAL STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows	Audited for the period ended 15-Nov-18
	\$
Cash flows from operating activities:	
Payments to suppliers and employees	(62,701)
Net cash used in operating activities	(62,701)
Cash flows from investing activities:	
Payments for the acquisition of project	(10,000)
Net cash used in investing activities	(10,000)
Cash flows from financing activities:	
Proceeds from the issue of shares	660,000
Proceeds from borrowings	10,000
Repayment of borrowings	(10,000)
Net cash used in financing activities	660,000
Net increase/(decrease) in cash held	587,299
Cash and cash equivalents at incorporation	1
Cash and cash equivalents at the end of the period	587,300

APPENDIX 4
MONT ROYAL RESOURCES LIMITED
HISTORICAL STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity	Issued Capital Ordinary Shares	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 26 March 2018	1			1
Loss for the period	-	-	(236,181)	(236,181)
Issue of fully paid ordinary shares	660,000	-	-	660,000
Capital raising costs	(31,000)	-	-	(31,000)
Share based payments	-	123,153	-	123,153
Balance at 15 November 2018	629,001	123,153	(236,181)	515,973

APPENDIX 5

MONT ROYAL RESOURCES LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

Both the functional and presentation currency of the Group is in Australian dollars.

Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is a for-profit, private sector entity which is not publicly accountable. Therefore, the consolidated financial statements for the Group are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDRs).

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Mont Royal Resources Limited at the end of the reporting period. A controlled entity is any entity over which Mont Royal Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the group during the period, the financial performance of those entities are included only for the period of the period that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

(d) New accounting standards and interpretations

The Group has adopted all new accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual

reporting periods beginning 1 July 2018. The adoption of these new and revised standards and interpretations did not have any effect on the financial position or performance of the Group.

Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ended 15 November 2018. The Directors have not early adopted any of these new or amended standards or interpretations. The Directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Group) and interpretations.

(e) Revenue recognition

Interest

Revenue is recognised as interest accrues using effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

(f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Trade and other receivables

Trade receivables, which generally have 30 - 120 day terms, are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable.

Other receivables are recognised and carried at the nominal amount due.

(h) Income tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of

unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one period of abandoning the site.

(k) Share based payments

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The fair value of the options granted excluded the impact of any non-market vesting condition (for example, profitability and sale growth targets). Non-market vesting conditions are included in assumption about the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to these options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(l) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(n) Loans and borrowings

All loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognized.

(o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Critical accounting judgements and estimates

The preparation of financial statements requires the use of certain critical accounting judgements and estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements except for the following:

Key estimate: Share-based payments

The Company initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and condition of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Key estimate: Capitalised Exploration Expenditure

Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to mining assets.

	Audited as at 15-Nov-18	Pro-forma after Offer Minimum	Pro-forma after Offer Maximum
NOTE 2 CASH AND CASH EQUIVALENTS	\$	\$	\$
Cash and cash equivalents	587,300	4,593,300	5,041,300
<i>Adjustments to arise at the pro-forma balance:</i>			
Audited balance of Mont Royal at 15 November 2018		587,300	587,300
<i>Subsequent events:</i>			
Payment of cash consideration pursuant to the Acquisition Agreement		(40,000)	(40,000)
		(40,000)	(40,000)
<i>Pro-forma adjustments:</i>			
Shares issued under the Offer		4,500,000	5,000,000
Costs of the Offer		(454,000)	(506,000)
		4,046,000	4,494,000
Pro-forma Balance		4,593,300	5,041,300

	Audited as at 15-Nov-18	Pro-forma after Offer
NOTE 3 OTHER ASSETS	\$	\$
Other assets	50,000	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Mont Royal at 15 November 2018		50,000
<i>Subsequent events:</i>		
Transfer to exploration and evaluation asset		(50,000)
		(50,000)
Pro-forma Balance		-

	Audited as at 15-Nov-18	Pro-forma after Offer
NOTE 4 EXPLORATION AND EVALUATION	\$	\$
Exploration and evaluation	-	170,000
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Mont Royal at 15 November 2018		-
<i>Subsequent events:</i>		
Transfer from other assets		50,000
Acquisition of Edjudina Tenements		60,000
		<u>110,000</u>
<i>Pro-forma adjustments:</i>		
Adjustment relating to the vesting of performance rights issued pursuant to the Acquisition Agreement		60,000
		<u>60,000</u>
Pro-forma Balance		<u>170,000</u>

	Audited as at 15-Nov-18	Pro-forma after Offer
NOTE 5 TRADE AND OTHER PAYABLES	\$	\$
Trade and other payables	123,158	83,158
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Mont Royal at 15 November 2018		123,158
<i>Subsequent events:</i>		
Payment of cash consideration pursuant to the Acquisition Agreement		(40,000)
		<u>(40,000)</u>
Pro-forma Balance		<u>83,158</u>

	Audited as at 15-Nov-18		Pro-forma after Offer	Pro-forma after Offer
			Minimum	Maximum
NOTE 6 ISSUED CAPITAL			\$	\$
Issued Capital		629,001	4,923,001	5,373,001
	Number of shares (min)	Number of shares (max)	\$	\$
<i>Adjustments to arise at the pro-forma balance:</i>				
Fully paid ordinary share capital of Mont Royal at 15 Nov 2018	12,000,100	12,000,100	629,001	629,001
<i>Subsequent events:</i>				
Transfer of shares issued to consulting geologist from reserves to issued capital	75,000	75,000	7,500	7,500
	75,000	75,000	7,500	7,500
<i>Pro-forma adjustments:</i>				
Shares issued pursuant to the Offer	22,500,000	25,000,000	4,500,000	5,000,000
Costs directly attributable to the Offer	-	-	(333,500)	(383,500)
Vendor Shares issued on vesting of performance rights	600,000	600,000	120,000	120,000
	23,100,000	25,600,000	4,286,500	4,736,500
Pro-forma Balance	35,175,100	37,675,100	4,923,001	5,373,001

Pursuant to the Acquisition Agreement, the Company also received an option to acquire the Yule River Project. In the event that the Company exercises the option, it will issue 400,000 shares (for an aggregate value of \$80,000) in consideration for the transfer of the tenement.

	Audited as at 15-Nov-18	Pro-forma after Offer
NOTE 7 RESERVES	\$	\$
Reserves	123,153	115,653
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Mont Royal at 15 November 2018	123,153	123,153
<i>Subsequent events:</i>		
Issue of performance rights as consideration for the acquisition of the Edjudina tenements		60,000
Transfer of shares to be issued to consulting geologist to issued capital		(7,500)
		52,500
<i>Pro-forma adjustments:</i>		
Elimination of performance rights upon vesting		(60,000)
		(60,000)
Pro-forma Balance		115,653

The Director Options were granted prior to balance date, with the value of the Director Options expensed during the period from incorporation to 15 November 2018. The terms and key inputs included in the valuation of the Director Options are set out below:

	Tranche A	Tranche B	Tranche C
Underlying share price (A\$)	0.100	0.100	0.100
Exercise price (A\$)	0.250	0.300	0.350
Assumed expiry date*	31-Jan-22	31-Jan-22	31-Jan-22
Volatility	80%	80%	80%
Risk free rate	2.16%	2.16%	2.16%
Number of options	1,500,000	1,250,000	1,250,000

The Director Options have an expiry date that is three years from admission date. At the date of grant of the Director Options, the admission date was estimated to be 31 January 2019, therefore giving an assumed expiry date of 31 January 2022.

	Audited as at 15-Nov-18	Pro-forma after Offer Minimum	Pro-forma after Offer Maximum
NOTE 8 ACCUMULATED LOSSES	\$	\$	\$
Accumulated losses	(236,181)	(356,681)	(358,681)
<i>Adjustments to arise at the pro-forma balance:</i>			
Audited balance of Mont Royal at 15 November 2018		(236,181)	(236,181)
<i>Pro-forma adjustments:</i>			
Costs of the Public Offer		(120,500)	(122,500)
		(120,500)	(122,500)
Pro-forma Balance		(356,681)	(358,681)

NOTE 9: PROVISIONAL ACCOUNTING FOR THE ACQUISITION OF THE EDJUDINA TENEMENTS

On 3 December 2018, the purchase of the Edjudina tenements completed with ownership transferred on 13 December 2018. The Company has considered whether the Acquisition falls within the scope of *AASB 3 Business Combinations* and therefore is required to be accounted for as a business combination. A business combination involves an acquirer obtaining control of one or more business by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors. The Company does not consider that the Acquisition meets the definition of a business combination in accordance with *AASB 3 Business Combinations* as the acquired assets are not deemed to be a business for accounting purposes, therefore we have provisionally accounted for the Acquisition as an asset acquisition.

NOTE 10: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 11: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

NOTE 12: NEW AASB ACCOUNTING STANDARDS - AASB 16: LEASES, AASB 9: FINANCIAL INSTRUMENTS AND AASB 15: REVENUE FROM CONTRACTS WITH CUSTOMERS

We have assessed the impact of new AASB standards on the Historical Financial Information and Pro-Forma Financial Information and do not consider them to have a material impact on the financial information presented in our Report.

Schedule 2 - Solicitor's Report

Matter Number: 18060
Email: mb@bellanhouse.com

27 February 2019

The Directors
Mont Royal Resources Limited
Level 1
20-22 Stirling Highway
Nedlands WA

Dear Sirs

**Mont Royal Resources Limited
Solicitor's Report - Mining Tenements**

This report has been prepared for Mont Royal Resources Limited (**Company**) for inclusion in the Company's prospectus (**Prospectus**) issued in connection with the Company's application for the admission of the ordinary shares of the Company to the Official List of the ASX.

1. Scope

We have been requested to report on five granted exploration licences located in Western Australia, that the Company has acquired, or has an option to acquire, pursuant to the Acquisition Agreement (**Tenements**).

Key details of the Tenements are set out in Schedule 1 of this Report and must be read in conjunction with this Report.

2. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows:

- (a) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreement and national land use agreements as maintained by the NNTT for any native title claims (registered or unregistered), native title determinations and ILUAs that overlap or apply to the Tenements on 19 February 2019 (**NNTT Searches**);
- (b) searches of the register maintained by the Department pursuant to the Mining Act on 18 February 2019 (**DMIRS Searches**);

- (c) quick appraisal user searches of the Tengraph system maintain by the Department on 18 February 2019 (**Tengraph Searches**); and
- (d) searches from the online Aboriginal Heritage Inquiry System (**AHIS**) maintained by the Department of Aboriginal Affairs for any Aboriginal sites registered on the Register of Aboriginal Sites and other heritage places over the Tenements on 18 February 2019.

3. Definitions

In this Report:

Aboriginal people has the meaning given in paragraph 7.2(a).

Acquisition Agreement means the agreement summarised in paragraph 10.1.

Commonwealth Heritage Act means the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth).

Company means Mont Royal Resources Limited ACN 625 237 658.

Department means the Western Australian Department of Mines, Industry Regulation and Safety.

DMIRS Searches has the meaning given in paragraph 2.

Edjudina Tenements means E39/1992, E39/1993, E39/1994 and E39/1995.

Federal Court means the Federal Court of Australia.

Heritage Act means the *Aboriginal Heritage Act 1972* (WA).

ILUA has the meaning given in paragraph 7.6(c).

Material Contracts means any agreements summarised in paragraph 10.

Mining Act means the *Mining Act 1978* (WA).

Mining Regulations means the *Mining Regulations 1981* (WA).

Minister means the Minister under the Mining Act.

Native Title Act means the *Native Title Act 1993* (Cth).

Negotiation Parties has the meaning given in paragraph 7.9(a)(ii).

NNTR has the meaning given in paragraph 7.3(a).

NNTT means the Australian National Native Title Tribunal.

NNTT Searches has the meaning given in paragraph 2.

Performance Rights means rights to Shares as described in paragraph 10.1.

Prospectus has the meaning given in the opening paragraph of this document.

Report means this document, including any schedule or annexure to this document.

RNTC has the meaning given in paragraph 7.3(a).

S29 Notice has the meaning given in paragraph 7.9(a)(i).

Searches means the searches referred to in paragraph 2.

Tenements means the Edjudina Tenements and the Yule River Tenement.

Tengraph Searches has the meaning given in paragraph 2.

Wodgina means Wodgina Lithium Pty Ltd ACN 611 488 932.

Wodgina Access Agreement means the access agreement between the Company and Wodgina dated 25 January 2018, the terms of which are summarised in paragraph 10.2.

Yule River Tenement means exploration licence E45/4825.

4. Opinion

As a result of the searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

- (a) **Company's Interest:** the Company's interest in the Tenements;
- (b) **Good Standing:** the validity and good standing of the Tenements; and
- (c) **Third party interests:** third party interests, including encumbrances, in relation to the Tenements.

5. Risk factors

(a) **Title risks**

The Company (via its wholly owned subsidiary, Mont Royal Exploration Australia Pty Ltd) is the registered legal owner of the Edjudina Tenements.

However, the Company does not have a registered legal interest in the Yule River Tenement at the date of this Report. It only holds an exclusive option to purchase the Yule River Tenement pursuant to the Acquisition Agreement.

The Company has the right to exercise the option to purchase the Yule River Tenement at any time prior to 10 October 2019. Ministerial consent will be required if the Yule River Tenement is to be transferred on or before 6 September 2019. The Acquisition Agreement contemplates such consent being sought at the request of the Company.

There are no other conditions required to be satisfied in order for the Company to exercise this option under the Acquisition Agreement, although the Company needs to sign a deed of assignment and assumption in relation to the Wodgina Access Agreement prior to the transfer of the Yule River Tenement.

See paragraphs 6.1(e) and 10.1 and Schedule 1 for further details.

(b) Third-party tenure risks

Under Western Australian and Commonwealth legislation, the Company may be required, in respect of exploration or mining activities on the Tenements, to recognise the rights of, obtain the consent of, and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including other mining tenure, pastoral leases or petroleum tenure.

Our Searches indicate that the Tenements overlap certain pastoral leases, petroleum pipeline licences and miscellaneous licences (see paragraph 9 for details).

Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

If the option is exercised in relation to the Yule River Tenement, any exploration or mining operations will be subject to the terms and conditions of the Wodgina Access Agreement and also subject to any applicable restrictions that may apply in respect of the other pipelines that overlap with the Yule River Tenement (see paragraphs 9(b), 9(c) and 10.2 for further details). Depending on the location of any required operations, this may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

(c) Native title risks

The Searches indicate that there is no current native title claim overlapping any of the Edjudina Tenements, however there remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Edjudina Tenements or in the vicinity. There is one registered native title determination covering the Yule River Tenement.

The existence of native title claims over the area covered by the Tenements, or a determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been validly granted in accordance with the Native Title Act.

However, if any Tenement was not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. There is nothing in our enquiries to indicate that any of the Tenements were not validly granted in accordance with the Native Title Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

See paragraph 7 below for further details.

(a) Aboriginal Heritage risks

The Searches indicate there is one Aboriginal site located on the area covered by the Yule River Tenement, and none located on the area of the Edjudina Tenements. However, there remains a risk that additional Aboriginal sites may

exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.

See paragraph 8 below for further details.

6. Tenements

The Tenements comprise five granted exploration licences (prefixed "E").

The following provides a description of the nature and key terms of the types of mining tenements (including potential successor tenements) that may be granted under the Mining Act.

6.1 Exploration Licences

(a) Licence area and authority

An exploration licence permits the holder to explore over land up to a maximum 200 graticular blocks in designated areas of WA and a maximum of 70 graticular blocks elsewhere. Graticular blocks range in area from approximately 2.8km² to 3.3km². There is no limit to the number of exploration licences which may be held by any one person.

An exploration licence authorises the holder to enter land to explore using vehicles, machinery and equipment as may be necessary or expedient for the purpose of exploring for minerals in, on or under the land. The holder of an exploration licence may excavate, extract or remove earth, soil, rocks, stone, fluid or mineral-bearing substances not exceeding 1,000 tonnes over the term of the licence.

An exploration licence will not be granted over land the subject of an existing mining tenement other than a miscellaneous licence.

The Yule River Tenement overlaps two miscellaneous licences (L45/108 and L45/158) which each encroach the tenement by less than 2%. Centrepeak is party to an access agreement with Wodgina, who is the holder of L45/108, which is summarised in paragraph 10.2. See paragraph 9(c) below for further details.

(b) Term and extension

Exploration licences are granted for a term of 5 years. The Minister has discretion to extend the exploration licence for one further period of 5 years and then by further 2 year periods if satisfied that a prescribed ground for extension exists.

'Prescribed grounds' for extension include circumstances when the holder experienced difficulties or delays arising from governmental, legal, climatic or heritage reasons, where work carried out justifies further exploration, or where the Minister considers the land has been unworkable for whole or a considerable part of any year of the term.

(c) Relinquishment requirement

Exploration licences of more than 10 blocks applied for after 10 February 2006 are subject to a requirement that the holder relinquishes 40% of the tenement

area at the end of the sixth year that the licence is held. A failure to lodge the required partial surrender could render the exploration licence liable to forfeiture.

The Tenements were all applied for after 10 February 2006.

(d) Retention status

The holder of an exploration licence applied for after 10 February 2006 may apply for retention status for the whole or part of the land the subject of the exploration licence which may be approved if there is an identified mineral resource located in the land and mining of that identified mineral resource is impractical for economic or marketing reasons or if there are political, environmental or other difficulties in obtaining requisite approvals. On approval of retention status, the holder of an exploration licence may have to comply with a specified programme of work. The Minister may ask the holder of a exploration licence with retention status to show cause why a mining lease or leases should not be applied for over the land.

The Tenements were all applied for after 10 February 2006.

(e) Transfer during first year

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the Minister.

The Yule River Tenement was granted on 7 September 2018 and is currently in its first year of grant. Accordingly, Ministerial consent will be required prior to registration of the transfer of the Yule River Tenement to the Company if this occurs on or before 6 September 2019. We note that the Acquisition Agreement contemplates such consent being sought at the request of the Company. See paragraph 10.1 for details.

(f) Right to apply for mining lease

During the term of an exploration licence, the holder may apply for and have granted subject to the Mining Act, one or more mining leases over any part of land subject to the exploration licence. Where an application for a mining lease is made, and the term of the exploration licence is due to expire prior to the mining lease application being determined, the exploration licence will continue in force over the land subject to the mining lease application pending the outcome of that mining lease application.

(g) Rent and expenditure requirements

Annual rent for an exploration licence (graticular) is \$136.00 per block for years 1 to 3 of the term of the licence (\$341.00 if for only 1 block), \$220.00 per block for years 4 and 5, \$300.00 per block for years 6 and 7, and \$567.00 per block for year 8 and each subsequent year of the term of the licence (based on rental rates current as at the date of this Report).

Exploration licences are subject to minimum annual expenditure requirements which are calculated at not less than:

- (i) \$1,000 per block for years 1 to 3 of the term of the licence (subject to minimums of \$10,000 for licences of 1 block only, \$15,000 for licences of 2 to 5 blocks and \$20,000 for licences of 6 or more blocks);
- (ii) not less than \$1,500 per block for years 4 and 5 of the term of the licence (subject to minimums of \$10,000 for licences of 1 block only, \$20,000 for licences of 2 to 5 blocks and \$30,000 for licences of 6 or more blocks);
- (iii) not less than \$2,000 per block for years 6 and 7 of the term of the licence (subject to minimums of \$15,000 for licences of 1 block only, \$30,000 for licences of 2 to 5 blocks and \$50,000 for licences of 6 or more blocks); and
- (iv) not less than \$3,000 per block for years 8 and each subsequent year of the term of the licence (subject to minimums of \$20,000 for licences of 1 block only, \$50,000 for licences of 2 to 5 blocks and \$70,000 for licences of 6 or more blocks),

(based on expenditure requirements current as at the date of this Report).

The holder of an exploration licence may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the exploration licence liable to forfeiture.

(h) Forfeiture

The Minister may make an order for the forfeiture of an exploration licence for any of the following reasons:

- (i) failure to comply with a condition of an exploration licence such as payment of rent or statutory royalty, or lodgement of a report as required by the Mining Act;
- (ii) failure to comply with certain provisions of the Mining Act;
- (iii) failure to satisfy expenditure conditions;
- (iv) failure by the holder to satisfy a request of the Minister; or
- (v) if the holder is convicted of an offence under the Mining Act.

Rather than forfeiting the exploration licence, the Minister may impose a penalty not exceeding \$150,000 (if the holder is a body corporate), or award the whole or part of any such penalty to any person or impose no penalty on the holder.

(i) Other conditions

Exploration licences are subject to standard conditions that must be complied with, including rent payments, annual expenditure requirements and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder obtain the consent of an officer of the Department prior to conducting any ground disturbing work, basic environmental and rehabilitation conditions (such as the removal of all waste,

capping of drill holes, etc.) and prohibitions or restrictions on disturbing existing infrastructure such as roads, powerlines, aerial landing ground, airstrips and geodetic survey stations.

In addition to these standard conditions, certain significant or non-standard conditions affecting the Tenements are set out in Schedule 1.

On the basis of the Searches, we are not aware of any material non-compliance with the conditions attaching to the Tenements.

6.2 Mining Leases

(a) Application for a mining lease

Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The grant of mining leases under the Mining Act lies with the Minister on recommendation of the Mining Registrar or Warden. Since 11 February 2011, the area over which a mining lease may be granted is unrestricted.

The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

In 2017, the High Court of Australia handed down a decision, *Forrest & Forrest Pty Ltd v Wilson [2017] HCA 30*, that called into question the validity of a number of mining leases in Western Australia. In overturning the WA Court of Appeal decision, the High Court held that strict compliance with s74 of the Mining Act was a pre-condition to the grant of a mining lease. Specifically, in this case, it was held that the failure to lodge a mining proposal or a mineralisation report at the same time as the Mining Lease application meant that the application was invalid. The fact that a mineralisation report was subsequently lodged, prior to the Warden's consideration of the application, made no difference to the validity of the original application. The *Mining Amendment (Procedures and Validation) Bill 2018* was tabled in State Parliament on 26 June 2018 in an attempt to validate those mining leases where the mineralisation report was not submitted concurrently with the mining application. The bill was introduced to the Legislative Assembly and had its first reading on 28 November 2018, however as at the date of this Report there has been no further progression in relation to this matter.

(b) Authority

A mining lease entitles the holder to use, occupy and enjoy the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out mining operations on the land the subject of that mining lease, conditional on a programme of work being approved by the Department.

(c) Term and extension

A mining lease remains in force for up to 21 years from the date of grant. The holder has an option to renew for a further 21 years and then for a further 21 years with Ministerial consent.

(d) Transfer

It is a condition of a mining lease that the holder not transfer or mortgage a legal interest in the land or any part of the land without the prior written consent of the Minister or an officer of the Department acting on the authority of the Minister.

(e) Rent and expenditure requirements

Annual rent for a mining lease is \$18.70 per hectare (based on rental rates current as at the date of this Report).

Mining leases are subject to minimum annual expenditure requirements of not less than \$100 for each hectare, with a minimum of \$10,000 per year during each year of the term of the lease. If the mining lease does not exceed 5 hectares the minimum annual expenditure will be \$5,000 (based on expenditure requirements current as at the date of this Report).

(f) Other conditions

Mining leases are granted subject to various other standard conditions, including conditions relating to the survey of the land, and the observance of environmental protection and reporting requirements. A failure to comply with the conditions (including expenditure conditions) may lead to forfeiture of the mining lease or the Minister imposing a penalty not exceeding \$50,000 as an alternative.

(g) Royalty

Where minerals of economic significance are discovered, the holder of a mining lease is obliged to report this to the Minister promptly. A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a mining lease granted under the Mining Act. This is particularly relevant where native title agreement royalties are calculated by reference to the royalty payable to the State of Western Australia. The royalty rates vary according to the product concerned. Western Australia has a three-tiered royalty system which applies one of three royalty rates depending on the form in which the mineral is sold (ore, concentrate or final form), and the extent to which it is processed. In Western Australia, there are two systems used to collect mineral royalties:

specific rate - calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The rates on production between 1 July 2015 and 30 June 2020 are 73 cents per tonne and 117 cents per tonne; and

ad valorem - calculated as a percentage of the 'royalty value' of the mineral, which applies under the Mining Regulations. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions. The ad

valorem royalty rate takes into account price fluctuations and material grades as follows:

- (i) bulk material (subject to limited treatment) - 7.5% of the royalty value;
- (ii) concentrate material (subject to substantial enrichment through a concentration plant) - 5% of the royalty value; and
- (iii) metal - 2.5% of the royalty value.

The 'royalty value' components used to calculate the 'royalty value' are defined under the Mining Regulations. In some cases, for example in the case of nickel, an alternative value applies.

(h) Mining Rehabilitation Fund

- (i) The Mining Rehabilitation Fund (**Fund**) is a pooled fund to which Western Australian mining operators contribute. Money in the Fund will be used to rehabilitate abandoned mine sites in Western Australia.
- (ii) The holders of all mining tenements, except those tenements covered by special agreements with the State of Western Australia not listed in the *Mining Rehabilitation Fund Regulations 2013* (WA), are required to participate in the Fund. This involves reporting disturbance data and contributing annually to the Fund. Holders of tenements with a rehabilitation liability estimate below a threshold of \$50,000 are required to report disturbance data but are not required to pay into the Fund.

7. Native title

7.1 General

- (a) The law in Australia recognises native title. In particular, it recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.
- (b) The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may *affect* (ie be inconsistent with) certain native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

7.2 An explanation: Native title

- (a) On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. Native title rights and interests to land are recognised where the claimants (**Aboriginal people**) can establish that they have maintained a continuous connection with their land in accordance with their traditional laws and customs, and that their native title rights and interests have not been lawfully extinguished. Native title rights can be lawfully extinguished in different ways, including voluntary surrender, death of the last survivor of a

community entitled to native title, abandonment of the land or the grant of incompatible title (such as the grant of freehold land).

- (b) The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.

7.3 Native title claims

- (a) The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court that they hold native title rights and interests. Whilst the Federal Court is assessing the claimed native title rights and interests, a Registrar of the NNTT will assess whether the native title claim meets certain registration requirements set out in the Native Title Act, and if so, the native title claim will be entered on the Register of Native Title Claims (RNTC). If the Federal Court determines that the claimed native rights and interests exist, details of the determined native title claim (and the determined native title rights held) are then entered on the National Native Title Register (NNTR).
- (b) If a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the Native Title Act provides the claimants / holders with certain rights, including procedural rights where a "future act" is proposed. An example of a "future act" is the grant of a mining tenement.

7.4 Validation of acts (i.e. grant of a mining tenement)

The Native Title Act sets out when "acts" will be "valid" in the event they *affect* (i.e. are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The "acts" can be a proposed activity or development on land and waters. A common example in Western Australia is the proposed grants of mining tenements by the Department.

7.5 "Past Acts" (i.e. grants of mining tenements): Prior to 1 January 1994

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain "acts" which were done before 1 January 1994. In Western Australia, that legislation is the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 (WA)*. It provides that all "acts" (e.g. grants of mining tenements) prior to 1 January 1994 are valid to the extent they affect native title.

7.6 "Future Acts" (i.e. proposed grants of mining tenements): After 1 January 1994

- (a) Generally, a "future act" is an "act" (e.g. grant of mining tenement) occurring after 1 January 1994 which affects native title.
- (b) The Native Title Act sets out the circumstances in which, and procedures by which, "future acts" will be valid should that "act" affect native title.
- (c) Such circumstances include if the "act" was done in certain circumstances between 1 January 1994 and 23 December 1996 (called "Intermediate Period Acts"), or if the "act" is permitted by an Indigenous Land Use Agreement (ILUA), or if certain procedures are to be followed where a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR.

Such procedures include the "Right to Negotiate Procedure" and the "Expedited Procedure".

7.7 Future Acts Between 1 January 1994 and 23 December 1996

Similarly to Past Acts, the Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain Intermediate Period Acts (e.g. grants of mining tenements) done between 1 January 1994 and to 23 December 1996 over land or water where a freehold estate or lease (including a pastoral lease but not a mining lease) had been validly granted.

7.8 ILUA

An ILUA is an agreement which has been authorised by the native title claimant group and has been registered with the NNTT. An ILUA binds the parties to the ILUA and also all persons holding native title to the relevant area that may not be a party. If an ILUA provides that any particular mining tenement(s) may be granted, then the relevant mining tenement(s) may be granted as provided for by the ILUA, generally without following other procedures, including the Right to Negotiate Procedure or the Expedited Procedure.

7.9 Right to Negotiate Procedure

(a) General

- (i) The Right to Negotiate Procedure commences with the relevant State or Territory giving notice of the proposed future act (i.e. proposed grant of a mining tenement) (**S29 Notice**).
- (ii) Then any native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the **Negotiation Parties**) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.

(b) Scope of negotiations

- (i) The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. The scope can include any matters about which the parties are willing to negotiate. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.
- (ii) Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such a right may be incompatible with the exercise of some or all native title rights and interest over that portion. It is usual for the resulting agreement to address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation to the native title party.

- (c) What if negotiations break down?
 - (i) If the Negotiation Parties negotiate in good faith but cannot reach agreement as to the doing of the future act, then provided at least 6 months have elapsed since the S29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTT for a determination as to whether the future act may be done, and if so, on what conditions.
 - (ii) Accordingly, the doing of a future act (i.e. granting of the mining tenement) is dependent on the Negotiation Parties reaching agreement, or the NNTT making a determination that the future act may be done.

7.10 Expedited Procedure

- (a) If the relevant State or Territory believes the future act will have minimal impact on native title rights, it may in the S29 Notice elect to use the Expedited Procedure. If the relevant State or Territory gives such notice, any native title party whose details are registered on the RNTC or NNTR may object to the use of the Expedited Procedure.
- (b) If no objection is lodged, the mining tenement can be granted without delay. If an objection is lodged, the NNTT must determine the validity of the objection. If the objection is dismissed, the tenement can be granted without delay. If the objection is not dismissed, the Right to Negotiate Procedure outlined at paragraph 7.9 applies.
- (c) Current Department policy is that it will process applications for exploration and prospecting licences through the Expedited Process of the Native Title Act only once the applicant for the mining tenement provides evidence by way of a statutory declaration/affidavit that a regional standard heritage agreement (RSHA) exists or has been signed by the proponent and sent to any affected registered Native Title Claimant (NTC) group (if any) or that an alternative heritage agreement exists between the NTC group and the explorer. If the explorer either refuses to enter into a RSHA or an alternative heritage agreement or fails to advise DMIRS that an agreement has been signed, the Department will process the exploration application under the Right to Negotiate Procedure.
- (d) In Western Australia, the Right to Negotiate Procedure is generally always used for the processing of mining lease applications, as well as most general purpose lease applications

7.11 Compensation

- (a) In certain circumstances holders of native title (a determined native title claim that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. The Mining Act provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the holders of the native title apply to the Federal Court for compensation, the holder of the tenement may be liable and directed to pay any compensation determined. To date, few claims have been lodged with the Federal Court for compensation and

until recently no award for compensation has been made by the Federal Court. It is due to this potential risk that the applicant for a mining lease will agree to the inclusions of payment of compensation provisions during the negotiations that lead to the grant of the mining lease, as the applicant is able to agree the level of compensation payable.

- (b) On 24 August 2016, the Federal Court handed down the first ever judicial assessment of native title compensation in Australia, in *Griffiths v Northern Territory (No 3) [2016] FCA 900 (Timber Creek)*. The Federal Court ordered the Northern Territory Government to pay over \$3.3 million to the Ngaliwurrurru and Nungali Peoples, as compensation for the impact of certain acts on their native title rights and interests in the town of Timber Creek.
- (c) Importantly, as this case is the first ever litigated native title compensation determination, the Federal Court established new principles for valuing native title compensation in accordance with the Native Title Act.
- (d) The Federal Court in Timber Creek held that the compensation to be awarded to the Ngaliwurrurru and Nungali Peoples for the extinguishment and impairment of their native title rights and interests comprised of three distinct components:
 - (i) \$512,400 for economic loss;
 - (ii) \$1.3 million for non-economic loss; and
 - (iii) \$1,488,261 for interest on the economic loss component of the compensation.
- (e) Although the area in which compensation was claimed in Timber Creek (approximately 23km²) is relatively small having regard to other areas in relation to which native title has been extinguished in Australia, the Federal Court has made it clear that the potential liability arising out of specific acts will be determined on a case by case basis. It is difficult to predict how much compensation will be awarded in other cases, although the Federal Court has offered general guiding principles for valuing native title compensation.
- (f) This decision was appealed to the Full Court of the Federal Court, which handed down its decision on 20 July 2017 in *Northern Territory of Australia v Griffiths [2017] FCAFC 106*. The Full Federal Court largely upheld the primary judge's decision although some of the grounds of appeal were upheld, namely that the discount factor should have been 65% of freehold value (down from 80%), interest on damages awarded for prior extinguishment will not be payable on and from the date of revival and damages for trespass for three invalid future acts should not be awarded. Although this appeal reduces the amount of compensation payable, the figure remains significant.
- (g) Applications for special leave to appeal to the High Court from the decision in Timber Creek have recently been granted for each of the claim group, the Northern Territory, and the Commonwealth. These applications seek to re-open effectively all aspects of the Full Court's decision and will be the first time the High Court has considered a question of native title compensation. The High Court heard the matter in September 2018 and has reserved its decision. The High Court is expected to hand down its decision in early 2019.
- (h) Notwithstanding the outcome of the High Court appeal of the Timber Creek case, native title compensation is an evolving area of law and it is likely that

the Full Federal Court or High Court will be required to consider and determine another compensation matter.

7.12 Native title claims and determinations affecting the Tenements

The NNTT Searches in respect of the Tenements indicate that the Yule River Tenement lies wholly within the Kariyarra determination, the details of which are as follows:

NNTT No.	Federal Court No.	Determination Name	Determination Date	Status - Outcome
WCD2018/015	WAD6169/1998	Kariyarra	13 December 2018	Determined - Native title exists in parts of the determination area

The existence of any native title claims over the area covered by the Tenements, or a determination of native title over the area, will not impact the rights and interests of the holder under the Tenements provided they have been validly granted.

However, the grant of any future tenure over areas that are covered by a registered claim or a positive determination of native title will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

7.13 Indigenous Land Use Agreements (ILUAs)

The Searches indicate that the ILUA's detailed in the table below exist in relation to the land on which the Yule River Tenement is located. Extracts of each of the ILUAs (but not the full text of the ILUAs) are publicly available and we have reviewed these extracts.

Neither the Company nor Centrepeak Resources Limited (the current registered holder of the Yule River Tenement) are party to any of the ILUAs identified below. Nothing in our enquiries suggests that the ILUAs will impact the Yule River Tenement or the Company's proposed activities in respect of the Yule River Tenement.

NNTT No.	Parties	ILUA Name	Date registered	ILUA type	Primary subject matter
WI2016/013	Chichester Metals Pty Ltd Fortescue Metals Group Ltd Pilbara Infrastructure Pty Ltd	FMG - Kariyarra Land Access ILUA	31 March 1999	Area agreement	Access

NNTT No.	Parties	ILUA Name	Date registered	ILUA type	Primary subject matter
	Cyril Gordon, Kerry Robinson and Donny Wilson for and on behalf of the Kariyarra People				
WI2017/016	Minister for Lands Cyril Gordon, Kerry Robinson and Donny Wilson Kariyarra Aboriginal Corporation	Kariyarra and State ILUA	25 May 2018	Area agreement	Government
WI2018/009	Alinta DEWAP Pty Ltd Cyril Gordon, Kerry Robinson and Donny Wilson in their capacity as registered native claimant in respect of claimant application WAD6169/1998 on behalf of the Kariyarra People	Alinta-Kariyarra Electricity Infrastructure ILUA	2 November 2018	Area agreement	Access

7.14 Validity of Tenements

The Tenements were all granted after 23 December 2006, and were therefore granted subject to the Native Title Act.

Provided that the Tenements were validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests. There is nothing in our enquiries to indicate that the Tenements were not validly granted in accordance with the Native Title Act.

8. Aboriginal heritage

8.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

8.2 Commonwealth Legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

8.3 Western Australian legislation

The WA Heritage Act provides for the establishment of a Register of Aboriginal sites in Western Australia and the assessment and registration of Aboriginal sites on that Register.

The WA Heritage Act protects all Aboriginal sites in Western Australia which meet the criteria in section 5 of the WA Heritage Act whether the Aboriginal Site is entered on the Register or not.

The Register includes information on registered Aboriginal sites (which meet the criteria in section 5 of the WA Heritage Act) and “other heritage places”. Other heritage places include places in respect of which information has been lodged but no assessment completed to determine if it meets section 5 of the WA Heritage Act and also places that have been assessed as not meeting section 5 of the WA Heritage Act.

It is an offence under the WA Heritage Act to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person or company is acting with the authority of the Registrar or the consent of the relevant Minister. The offence applies regardless of whether the Aboriginal site has been entered on the Register of Aboriginal sites. It is a defence if the person (or company) charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the WA Heritage Act.

The WA Heritage Act accordingly applies to activities on a mining tenement. Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the WA Heritage Act.

A holder of a Western Australian mining tenement has the legislative right to submit an application under the WA Heritage Act seeking approval to disturb or destroy an Aboriginal site.

8.4 Aboriginal sites and other heritage places on the Tenements

The AHIS Searches of the Tenements identified one Aboriginal site located on the Yule River Tenement, as set out in the following table:

Registered Aboriginal Site				
Tenement affected	Site ID	Site name	Status	Type
E45/4825	8063	Yule (Telecom)	Registered site	Artefacts/Scatter, Engraving

The AHIS search results summarised above do not mean that there are no other Aboriginal sites within the area of the Tenements. It is only an indication that no other Aboriginal sites have been registered in the area to date.

8.5 No Aboriginal heritage agreements affecting the Tenements

We are not aware of any Aboriginal heritage agreements in place in respect of the Tenements.

As discussed above at paragraph 7.10, Department policy provides that applications for exploration licences will generally not be processed for grant through the Expedited Procedure unless the applicant for the licence provides evidence that an appropriate Aboriginal heritage agreement has been entered into with any affected registered Native Title Claimant (NTC) (if any).

In this regard, there is no NTC in respect of the Edjudina Tenements. The Kariyarra People are the NTC in respect of the Yule River Tenement.

The Searches indicate that the Kariyarra People lodged an obligation to the grant of the Yule River Tenement but withdrew it on 28 August 2018, notwithstanding there is no Aboriginal heritage agreement in place, allowing the tenement to be granted pursuant to the Expedited Procedure.

Aboriginal heritage agreements will generally include a process of engagement between the parties to protect Aboriginal heritage. This process includes the undertaking of heritage surveys to identify Aboriginal site. A procedure is usually included for the parties to consider the proposed works on the tenements, and decide on the best course of action given any potential impacts the proposed works may have on Aboriginal sites.

The entry into Aboriginal heritage agreements is not a requirement of the WA Heritage Act but is an industry standard means of managing the risk of contravention of the WA Heritage Act where there is an NTC or other claim group with a recognised connection to the relevant land. The Company may wish to consider seeking an Aboriginal heritage agreement with Kariyarra People in due course if it exercises the option to acquire the Yule River Tenement.

9. Land access

(a) Pastoral Leases

The TENGRAPH Searches indicate that the following Tenements overlap pastoral leases as set out below:

Tenement Affected	Pastoral Lease Name	Lease number	Encroachment
EL 39/1992	Edjudina	PL N049971	100%
EL 39/1993			
EL 39/1994			
EL39/1995			
EL45/4825	Boodarie	PL N050447	0.64%
	Mundabullangana	PL N049806	94.45%

The Mining Act:

- (i) prohibits the carrying out of mining activities on land:
 - (A) for the time being under crop, or which is situated within 100 metres of that land;
 - (B) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard, vineyard, plantation, airstrip or airfield;
 - (C) situated within 100 metres of any land that is in actual occupation and on which a house or other substantial building is erected;
 - (D) the site of or situated within 100 metres of any cemetery or burial ground; or
 - (E) land the subject of a pastoral lease which is the site of, or is situated within 400 metres of the outer edge of, any water works, race, dam, well or bore, not being used for mining purposes by a person other than a lessee of that pastoral lease,

without the consent of the lessee, unless ordered by the Warden or if the mining is carried out not less than 30 meters below the lowest point of the natural surface;

- (ii) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown

land and that all necessary steps are taken to prevent damage to improvements and livestock; and

- (iii) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land, for example a pastoral lease, in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities.

We have been instructed that the Company does not currently have any access and compensation agreements in place with the pastoral lessees in relation to the Tenements.

Upon commencing mining operations on the Tenements, the Company should consider entering into access and compensation agreements with the pastoral lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court determines any compensation payable.

(b) Petroleum interests

The Yule River Tenement is traversed by the following petroleum pipeline licences granted under the *Petroleum Pipelines Act 1969 (WA)* (Pipelines Act):

- (i) PL 22 held by APA (Pilbara Pipeline) Pty Ltd; and
- (ii) PL 56 and PL 116 held by Wodgina Lithium Pty Ltd.

It is an offence under the Pipelines Act to intentionally or recklessly interfere with any pipeline or its operation.

The Yule River Tenement is granted subject to various conditions preserving the right of ingress to and egress from pipeline licences 22 and 56 to the holder of those licences and restricting certain activities in the vicinity of licences 22 and 56 (see Schedule 1 for further details).

Centrepeak is party to the Wodgina Access Agreement with Wodgina (the holder of pipeline licences 56 and 116). The terms of the access agreement require that it be assigned to and assumed by the Company if the Company takes transfer of the Yule River Tenement. See paragraph 9(c) below for more information and the Wodgina Access Agreement is summarised in paragraph 10.2.

If the Company acquires the Yule River Tenement, and its activities on the Yule River Tenement are likely to impact the area overlapped by PL 22, it should consider also seeking an access agreement (or similar) with APA (Pilbara Pipeline) Pty Ltd in relation to the interaction of the rights in that area.

(c) Overlapping mining tenure

The Yule River Tenement overlaps two miscellaneous licences:

- (i) L45/108 held by Wodgina Lithium Pty Ltd; and

- (ii) L45/158 held by FMG Pilbara Pty Ltd.

The area of overlap is small (less than 2% for each miscellaneous licence).

L45/108 relates to pipeline licences 56 and 116, all held by Wodgina. Centrepeak is party to the Wodgina Access Agreement with Wodgina dated 25 January 2018, which deals with the interaction of the parties' rights over L45/108 and pipeline licence 56. The terms of the access agreement require that it be assigned to and assumed by the Company if the Company acquires the Yule River Tenement. The Wodgina Access Agreement is summarised in paragraph 10.2.

Pipeline licence 116 was issued to Wodgina after the date of the Wodgina Access Agreement and is not currently dealt with by that agreement. If the Company takes assignment of the Wodgina Access Agreement, and its activities on the Yule River Tenement are likely to impact the area overlapped by pipeline licence 116, the Company should consider seeking the agreement be updated to also deal with pipeline licence 116.

If the Company acquires the Yule River Tenement, and its activities are likely to impact the area overlapped by L45/158, it should also consider seeking an access agreement (or similar) with FMG Pilbara Pty Ltd in relation to the interaction of rights in that area.

10. Summary of material contracts

10.1 Acquisition Agreement

The Company and Centrepeak Resources Limited (**Centrepeak**) are party to an agreement dated 10 October 2018, providing for the sale and purchase of the Edjudina Tenements and an exclusive option to purchase the Yule River Tenement (**Acquisition Agreement**).

Sale and purchase of Edjudina Tenements

We are instructed that the sale and purchase of the Edjudina Tenements completed in accordance with the Acquisition Agreement on 3 December 2018 and the Searches show that Mont Royal Exploration Pty Ltd (a wholly owned subsidiary of the Company) became the registered holder on 13 December 2018.

Consideration paid by the Company for the sale and purchase of the Edjudina Tenements comprised:

- (a) cash consideration of A\$50,000 (including a \$10,000 cash deposit) as reimbursement of development expenditure; and
- (b) the issuance of 600,000 Performance Rights.

In the event that ASX determines that Centrepeak is a promoter under the Listing Rules, it may require that the Company demonstrate that the cash consideration is a reimbursement of expenditure incurred in developing the Tenements. If this occurs, Centrepeak will:

- (a) provide to the Company as soon as possible, documents including but not limited to invoices, receipts, bank statements and financial statements evidencing expenditure on the Tenements of at least A\$50,000; and

- (b) apply any funds that ASX deems not to be a reimbursement of expenditure incurred in developing the Tenements to subscribe for Shares in the Company on the same terms as the initial public offer, and provide signed restriction deeds in respect of any Shares issued under this clause.

The key terms of the Performance Rights issued to Centrepeak are set out below:

- (a) **(Milestone)** The vesting of the Performance Rights is subject to the Milestone that is completion of the Company's initial public offer.
- (b) **(Vesting)** The Performance Rights will vest on the date the Milestone is satisfied. The Company will notify Centrepeak in writing when the relevant milestone has been satisfied.
- (c) **(Exercise Price)** The Exercise Price of each vested Performance Right is nil.
- (d) **(Expiry Date)** Each Performance Right will expire and lapse on the earlier to occur of:
 - (i) the Board resolving that the Milestone is incapable of satisfaction; or
 - (ii) 5:00pm WST on the date which is 3 years from the date of grant.

Any vested but unexercised Performance Rights will automatically lapse on the Expiry Date.

Centrepeak acknowledges and agrees that Performance Rights and Shares issued to it under the Agreement may be issued subject to escrow by ASX and that it will execute any restriction agreement required to give effect to the escrow restrictions imposed by ASX.

Option to purchase the Yule River Tenement

Under the Acquisition Agreement, Centrepeak also grants the Company an exclusive option (**Option**) to purchase the Yule River Tenement. The Option is valid for 12 months from the execution date of the Acquisition Agreement (being until 9 October 2019) (**Option Period**).

If the Company exercises the Option during the Option Period, the Company must issue to Centrepeak (or its nominee) 400,000 Shares at a deemed issue price of A\$0.20 per Share (for an aggregate value of \$80,000) in consideration for the transfer of the Yule River Tenement.

At any time during the Option Period, the Company may require that all parties endeavour to obtain Ministerial consent to transfer the Yule River Tenement to the Company (or its nominee) as soon as practicable and prior to the end of the Option Period. Centrepeak must provide the Company copies of all correspondence with the Department or the Minister in relation to obtaining Ministerial consent, including evidence of any consent obtained.

General

The Company agrees to offer to Centrepeak (or its nominee) an allocation of up to 250,000 Shares at an issue price of \$0.10 under the Pre-IPO Offer.

The Company must provide Centrepeak with the opportunity to take transfer of any part or all of the Tenements for an amount of A\$1 in the event that the Company intends to surrender any part or all of the Tenements.

The Acquisition Agreement includes various warranties from Centrepeak in favour of the Company in respect of the Tenements.

10.2 Wodgina Access Agreement

Centrepeak is party to an access agreement with Wodgina Lithium Pty Ltd dated 25 January 2018. Wodgina is the holder of L45/108 which overlaps the Yule River Tenement, and on which a petroleum pipeline (**Wodgina Pipeline**) is located. Wodgina lodged an objection to the grant of the Yule River Tenement on 20 September 2016 which was resolved by way of the Wodgina Access Agreement and withdrawn on 23 February 2018.

The Wodgina Access Agreement governs the interaction of the parties' respective rights under their respective tenure. In this regard, the Wodgina Access Agreement includes provisions dealing with the following:

- (a) Wodgina agrees to withdraw, and not lodge any further, objections to the grant of the Yule River Tenement.
- (b) A regime for the co-existence of the parties' respective rights under their tenure in the area of overlap between the Yule River Tenement and L45/108 (**Affected Area**), requiring good faith co-operation and consultation between the parties, who must use all reasonable endeavours to minimise interference with each other's activities. To the extent there is any actual or potential inference between the parties' activities on the Affected Area that cannot be resolved through the above regime, Wodgina's activities have priority.
- (c) The parties' respective obligations in respect of their activities on the Affected Area, including (for example) general conditions of access, rehabilitation obligations and notification requirements.
- (d) Restrictions, including a requirement to give Wodgina prior notice and obtain its consent, in respect of activities carried out by Centrepeak within a specified "Safety Zone", being an area within 50 metres from any infrastructure on L45/108 (including the Wodgina Pipeline).
- (e) Restrictions imposed on Centrepeak's activities conducted within L45/108 and the area within 25 metres of its boundary (**Registered Operator Area**). These restrictions include (for example) a requirement to give prior notice to the registered operator of the Wodgina Pipeline, to undertake a risk assessment with the registered operator in respect of such activities, and strict prohibitions against certain activities (such as use of explosives and excavation of soil). As at the date of the Wodgina Access Agreement, the registered operator of the Wodgina Pipeline was APT Goldfields Pty Ltd.
- (f) A process for the construction of crossings over the Wodgina Pipeline.

The Wodgina Access Agreement permits assignment by Centrepeak or Wodgina of the Yule River Tenement or L45/108 (respectively), provided the relevant assignee enters into a deed of assignment and assumption agreeing to be bound by the assignor's obligations under the Wodgina Access Agreement as if named as a party to the agreement. Accordingly, if the Company exercises the Yule River Option, it will need to enter into a deed of assignment and assumption agreeing to be bound by Centrepeak's obligations under the Wodgina Access Agreement prior or contemporaneously with completion of the acquisition.

11. Qualifications and assumptions

11.1 General

This is a high level Report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

Although nothing has come to our attention to lead us to believe that any of the assumptions are incorrect, we have not made any independent investigations in respect to the matters the subject of our assumptions.

11.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

- (a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;
- (b) that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in good standing;
- (d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;
- (e) all information obtained from the Department, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;
- (f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;
- (g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;
- (h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently); and

- (i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined.

In relation to the Material Contracts, we have assumed that:

- (a) the Material Contracts have been duly executed:
 - (i) if by the State of Western Australia and by the Minister, in accordance with valid delegated authority; and
 - (ii) if by a native title party, by a registered native title claimant with valid delegated authority to execute on behalf of the native title party and all persons included in the native title claimant group;
- (b) the copies of the Material Contracts made available to us are accurate, complete and conform to the originals of the Material Contracts;
- (c) all dates, execution and seals and signatures are authentic;
- (d) there are no material documents or information to be provided other than the material contracts referred to in this Report; and
- (e) each party to the Material Contracts had, at the time of execution, and continues to have full power and authority to execute, observe and perform all of its obligations under the Material Contracts.

11.3 Qualifications

This Report is subject to the following qualifications:

- (a) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;
- (b) the information in Schedule 1 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;
- (d) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;
- (e) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;

- (f) this Report relates only to the laws of Western Australia and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;
- (g) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;
- (h) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;
- (i) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;
- (j) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in paragraph 2 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;
- (k) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;
- (l) where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;
- (m) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of Environment Conservation;
- (n) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and
- (o) Aboriginal heritage sites, sacred sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

11.4 Conclusion

Bellanhouse has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours sincerely

A rectangular area that has been redacted, likely containing a signature or name. The text is obscured by a grey box.

Bellanhouse Lawyers

Schedule 1 - Tenement Summary

TENEMENTS						
Tenement	Registered Holder (100%)	Area	Grant date	Expiry date	Expenditure commitment	Notes
E39/1992	Mont Royal Exploration Australia Pty Ltd	5 Blocks	21 April 2017	20 April 2022	\$15,000.00	1
E39/1993	Mont Royal Exploration Australia Pty Ltd	1 Blocks	21 April 2017	20 April 2022	\$10,000.00	1
E39/1994	Mont Royal Exploration Australia Pty Ltd	1 Blocks	21 April 2017	20 April 2022	\$10,000.00	1
E39/1995	Mont Royal Exploration Australia Pty Ltd	1 Blocks	21 April 2017	20 April 2022	\$10,000.00	1
E45/4825	Centrepeak Resources Group Pty Ltd	70 Blocks	7 September 2018	6 September 2023	\$70,000.00	1, 2, 3, 4, 5, 6, 7, 8, 9, 10

Notes

The notes below refer to particular conditions and endorsements attached to the Tenements and other findings from the DMIRS Searches and Tengraph Searches. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of the Department register should be consulted. For details of overlapping tenure and other interests, the Tengraph system should be consulted.

1. Water resource endorsements:

- (a) E39/1992, E39/1993, E39/1994 and E39/1995 are subject to certain endorsements in respect of Water Resource Management Areas and Proclaimed Ground Water Areas; and
- (b) E45/4825 is subject to certain endorsements in respect of Water Resource Management Areas, Proclaimed Surface Water Areas, Proclaimed Ground Water Areas, Irrigation District Areas and Rivers (Rights in Water and Irrigation Act).

1. **Restrictions in respect of Public Drinking Water Source Areas:** All activity within proclaimed public water source areas need to comply with certain Department of Water and Environment Regulation requirements.
2. **Proposed Rail Corridor:** No activities may be carried out within the proposed rail corridor (designated FNA 10120) that interfere with or restrict any rail route investigation activities being carried out by the rail line proponent.
3. **Restriction around North West Coastal Highway:** There can be no excavation (excepting shafts) approaching closer to the North West Coastal Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation, and mining on the North West Coastal Highway or Highway verge is confined to below a depth of 30 metres from the natural surface.
4. **Restriction around Great Northern Highway:** There can be no excavation (excepting shafts) approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation, and mining on the Great Northern Highway or Highway verge is confined to below a depth of 30 metres from the natural surface.
5. **Restriction around Geodetic Stations:** There can be no interference with certain Geodetic Survey Stations and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
6. **Prior Ministerial consent over certain land:** The prior consent of the Minister must be obtained before commencing any exploration activities on Repeater Station Site Reserve 42369, Water Reserve 33015 and Pipeline Reserve 33016.
7. **Petroleum Titles affected:** The tenement overlaps the following Petroleum Pipeline Licences:
 - (a) PL 22 held by APA (Pilbara Pipeline) Pty Ltd (1.11% encroachment);
 - (b) PL 56 held by Wodgina Lithium Pty Ltd (0.08% encroachment); and
 - (c) PL 116 held by Wodgina Lithium Pty Ltd (0.53% encroachment).
8. **Conditions in respect of State Onshore Pipeline Licences 22 & 56:** The tenement is subject to certain conditions restricting certain activities in the vicinity of Petroleum Pipeline Licences 22 and 56 including (without limitation) restrictions on mining within 25 metres of either side of the pipeline, a reservation of access rights for employees, contractors and agents of the pipeline operators, and any other conditions that may from time to time be imposed by the Minister for the purpose of protecting the pipeline.
9. **Overlapping tenure:** The tenement is affected by two miscellaneous licences:
 - (a) L45/108 held by Wodgina Lithium Pty Ltd (0.53% encroachment); and
 - (b) L45/158 held by FMG Pilbara Pty Ltd (1.11% encroachment).

Schedule 3 - Independent Geologist's Report

An Independent Geologist's Report on the Mineral Assets of Mont Royal Resources Limited

Report Prepared for

Mont Royal Resources Limited



Report Prepared by



SRK Consulting (Australasia) Pty Ltd

MRR001

March 2019

An Independent Geologist's Report on the Mineral Assets of Mont Royal Resources Limited

Mont Royal Resources Limited

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SRK Project Number MRR001

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The Directors
Mont Royal Resources Limited
Level 1, 20-22 Stirling Highway
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Dear Directors

Mont Royal Resources Limited (Mont Royal or the Company) has commissioned SRK Consulting (Australasia) Pty Ltd (SRK) to provide an Independent Geologist's Report (IGR) on the Edjudina Project and the Yule River Project, which are both located in Western Australia and considered prospective for gold.

It is SRK's understanding that this IGR is to be included in the Company's Prospectus in support of a proposed listing on the Australian Securities Exchange (ASX). The purpose of this Prospectus is to offer up to 25,000,000 Ordinary Shares at an issue price of A\$0.20 per share, to raise a total of A\$5,000,000 before costs (Offer). The Offer has a minimum subscription of 22,500,000 shares at an issue price of A\$0.20 per share, to raise a total of A\$4,500,000.

Mont Royal proposes to lodge the Prospectus with the Australian Securities and Investment Commission (ASIC) in early 2019.

The key mineral asset considered in this IGR is the Edjudina Project, which is favourable for Archaean structurally controlled lode-style gold.

Mont Royal also holds an exclusive option to acquire the Yule River Project, which is favourable for Archaean mesothermal lode-style gold and pegmatite-hosted lithium and tantalum mineralisation.

The objective of this IGR is to present potential investors with a summary of the nature, history and status of the mineral assets (the Edjudina Project and the Yule River Project) and to provide an opinion on the exploration potential and planned work program after listing.

Standard of the Report

This IGR has been prepared to the standard of, and is considered by SRK to be, an IGR under the guidelines of the 2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code). The VALMIN Code incorporates the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

In addition, this IGR has been prepared in accordance with the relevant requirements of the Listing Rules of the ASX and relevant ASIC Regulatory Guidelines.

Statement of Independence

Neither SRK nor any of the authors of this IGR have any material present or contingent interest in the mineral assets considered or the outcome of this IGR, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK. SRK has no prior association with the Company concerning the mineral assets that are the subject of this Report. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence. SRK's fee for completing this IGR is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of the IGR.

Information basis of this IGR

Mont Royal has made available to SRK all relevant information held by the Company through its consulting partner, Centrepeak Resources Group (Centrepeak). SRK has supplemented this information, where necessary, with information from its own geological databases, subscription databases such as the S&P Market Intelligence database service, and information available within the public domain. The principal sources of information are included in a reference list at the end of the IGR. The IGR includes information available up to the date of this IGR. Mont Royal has stated that all information provided may be presented in the IGR and that none of the information is regarded as being confidential.

Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations in regard to the ownership and legal standing of the tenements that are the subject of this IGR. SRK has not attempted to confirm the legal status of the tenements with respect to acquisition or joint venture agreements, permits, local heritage or potential environmental or land access restrictions. Instead, SRK has relied on information provided by Mont Royal. SRK has prepared this IGR on the understanding that the tenements of Mont Royal are currently in good standing.

SRK understands that the current ownership status and legal standing of the tenements are dealt with in a separate Solicitor's Report prepared by Bellanhouse Lawyers a legal firm based at Level 19, Alluvion, 58 Mounts Bay Road, Perth, WA, 6000, and which forms part of this Prospectus (Solicitor's Report). The document indicates that Centrepeak has the legal rights to the minerals at the Yule River Project. SRK has made all reasonable enquiries into this status as at the date of this report.

Warranties and Indemnities

Mont Royal has warranted in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

As recommended by the VALMIN Code, Mont Royal has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Mont Royal or to Mont Royal not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this IGR.

Consulting fees

SRK's estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$26,000. The payment of this professional fee is not contingent upon the outcome of the Report.

Consents

SRK consents to this IGR being included, in full, in the Company's Prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

SRK confirms that to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the IGR is in accordance with the facts and does not omit anything likely to affect the import of such information.

SRK confirms that nothing has come to its attention to indicate any material change to what is reported in the IGR.

SRK confirms that it has reviewed the information contained elsewhere within the Prospectus relating to the information contained within the IGR and confirms that the information presented is accurate, balanced, complete and not inconsistent with the IGR.

Yours faithfully

SRK Consulting (Australasia) Pty Ltd

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

Michael Cunningham, *MAIG MAusIMM*

Principal Consultant (Geology)

5 March 2019

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Disclaimer

The opinions expressed in this IGR are based on the information supplied to SRK by Mont Royal. The opinions in this Report are provided in response to a specific request from the Company to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

List of Abbreviations

Term	Meaning
A\$	Australian dollar
AIG	Australian Institute of Geoscientists
asl	Above sea level
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
Au	gold
Au-Cu	gold-copper
BLEG	bulk leach extractable gold
Centrepeak	Centrepeak Resources Group
Cu	copper
DMP	Government of Western Australia Department of Mines and Petroleum
Dyke	A narrow tabular intrusive rock body
EL	Exploration Licence
Fault	A fracture in earth materials, along which the opposite sides has been displaced parallel to the plane of the movement
g/t	grams per tonne
Geophysics	The study of the Earth using quantitative physical methods to measure its electrical conductivity, gravitational and magnetic fields
Granite	An acid intrusive rock
Granodiorite	A type of granitic rock with abundant feldspar
Granulite	An equigranular coarse-grained metamorphic rock
Greenstone belt	Precambrian supracrustal rocks that include komatiite, basalt, andesite, and sedimentary rocks
GSWA	Geological Survey of Western Australia
IGR	Independent Geologist's Report
Igneous	An igneous rock formed entirely within the Earth's crust
Intermediate igneous rock	An igneous rock with roughly even mixtures of felsic minerals (mainly plagioclase) and mafic minerals (mainly hornblende, pyroxene and/or biotite). There is little or no quartz
Intrusive	An igneous rock formed entirely within the Earth's crust
IP	induced polarisation
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Ma	Millions of years ago
Magmatic	Formed from molten rock
Meta-	A prefix used to indicate the precursor rock type of a metamorphic rock
Metamorphic rock	A rock altered by temperature and pressure within the earth
Mineral Resource	A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there is reasonable prospect for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge including sampling. Mineral

Term	Meaning
	Resources are sub-divided in order of increasing geological confidence into Inferred, Indicated and Measured categories.
Mineralisation	Geological occurrence of mineral of potential economic interest
ML	Mining Lease
Mont Royal	Mont Royal Resources Limited
Mont Royal Exploration	Mont Royal Exploration Australia Pty Ltd
oz	ounces
Porphyry	An intermediate or acid igneous rock of fine-grained size, with some larger crystals, usually feldspar, scattered in the finer-grained groundmass
ppb	parts per billion
ppm	parts per million
Proterozoic	The Proterozoic is a geological eon representing the time before proliferation of complex life on Earth. The Proterozoic Eon extended from 2,500 Ma to 541 Ma, and is the most recent part of the Precambrian Supereon. It is subdivided into three geologic eras: the Paleoproterozoic, Mesoproterozoic, and Neoproterozoic.
Quartz	A silica-rich mineral SiO ₂
RAB	rotary air blast
RC	reverse circulation
Sb	Stibnite
Shear zone	Structural deformation of rock by shearing stress under brittle-ductile or ductile conditions at depths in high pressure metamorphic zones
Silicified	A rock altered by addition of quartz
Siltstone	A fine-grained granular sedimentary rock
SRK	SRK Consulting (Australasia) Pty Ltd
SRTM	Shuttle Radar Topographic Mission
Syn	Synchronous
USGS	United States Geological Survey
VALMIN Code	Australasian Code for Public Reporting of technical assessments and valuations of mineral assets
Volcanic	Formed by or associated with a volcano
VMS	volcanogenic massive sulphide
Volcaniclastic	Debris or rock formed from volcanic eruptions
WAMEX	Western Australia Mineral Exploration reports

Executive Summary

Mont Royal has commissioned SRK Consulting (Australasia) Pty Ltd (SRK) to provide an Independent Geologist's Report (IGR) on its exploration assets in Western Australia which are considered prospective for gold (Edjudina), and gold and pegmatite-hosted lithium and tantalum mineralisation (Yule River) (Figure ES-1 and Table ES-1).

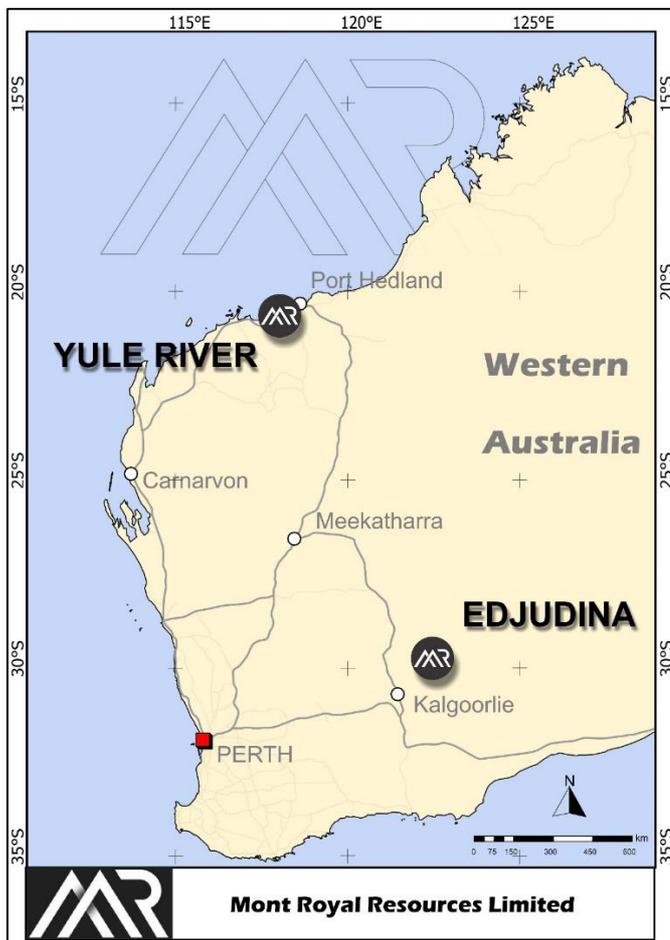


Figure ES-1: Location map

Table ES-1: Summary of tenement status

Tenement	Project	Registered holder	Status	Date granted	Expiry date	Area (km ²)
E39/1992	Edjudina	Mont Royal Exploration	Granted	21/04/2017	20/04/2022	14.9
E39/1993				21/04/2017	20/04/2022	3
E39/1994				21/04/2017	20/04/2022	3
E39/1995				21/04/2017	20/04/2022	3
E45/4825	*Yule River	Centrepeak Resources Group	Granted	16/08/2016	06/09/2023	225.1

Notes:

* The Yule River Project tenement is 100 per cent owned by Centrepeak Resources Group.

For further details regarding the status of these tenements and the associated acquisition agreements entered into by Mont Royal pertaining to these tenements, refer to the Solicitor's Report in the Prospectus.

The purpose of this Independent Geologist's Report (IGR) is to provide an impartial assessment of the technical data and merits of Mont Royal's Western Australian Edjudina Project, the Yule River Project (option), as well as comment on the exploration program and budget proposed by the Company.

The projects offer prospectivity for economically extractable gold, and in SRK's opinion, further exploration is justified at the budgetary levels proposed by the Company (Table ES-2).

Table ES-2: Proposed 2-year exploration budget based on a minimum capital raising of A\$4,500,000

Project	Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Edjudina	Data compilation	15,000		15,000
	Geophysical survey	250,000		250,000
	Exploration drilling	525,000	890,000	1,415,000
	Assaying	210,000	360,000	570,000
Yule River (under option)	Data compilation	25,000		25,000
	Geophysical Survey		225,000	225,000
	Geochemical Sampling		250,000	250,000
Total		1,025,000	1,725,000	2,750,000

Note: Totals rounded to the nearest thousand. Exploration drilling is inclusive of drilling, sampling, personnel and other on-costs.

The exploration budget is based on achieving a minimum subscription of A\$4.5 million. However, should the maximum subscription of A\$5 million be achieved, Mont Royal Resources will increase its exploration spend by A\$0.25 million for exploration drilling at the Edjudina Project in the second year.

The Company's proposed exploration program includes:

- Data compilation and re-interpretation of previous exploration program data
- Geophysical surveys to define structure that potentially hosts mineralisation beneath cover
- Initial follow-up drilling to test targets identified from the surveys
- If results are positive, further exploration drilling at tighter spacing for potential Mineral Resource estimates.

In SRK's opinion, Mont Royal's proposed expenditures are realistic in the context of the amounts to be raised under the Initial Placement Offering (IPO). It should be possible to evaluate the potential of gold mineralisation at the Edjudina Project in the 2-year period. However, SRK cautions that the proposed exploration programs may change in Year 2 from that currently stated and will be dependent on the results from the Year 1 program.

1 Introduction

1.1 Background

SRK Consulting (Australasia) Pty Ltd (SRK) is an associate company of the international group holding company, SRK Consulting (Global) Limited (SRK Group). SRK was commissioned by Mont Royal to prepare an Independent Geologist's Report (IGR) in accordance with the Listing Rules of the Australian Securities Exchange (ASX) and the Australian Securities and Investment Commission (ASIC) Regulatory Guides.

SRK understands that this IGR will be included as part of the Prospectus and declares that it has taken all reasonable care to ensure that the information contained in this IGR is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import and no material change has occurred since the Effective Date (defined in Section 1.2) that would require any amendment to the IGR. SRK consents to the inclusion of this IGR and reference to any part of the IGR in the Prospectus.

This IGR is intended to properly inform readers of Mont Royal's Prospectus about the status and exploration potential of the projects and to provide commentary on the Company's proposed future exploration and development programs. The IGR presents the following key Technical Information as at the Effective Date:

- An overview of the geological setting of the Edjudina Project in Western Australia and associated mineralisation
- An overview of the geological setting of the Yule River Project option in the northern Pilbara region of Western Australia and associated mineralisation
- An outline of historical and recent exploration work undertaken at the Edjudina and Yule River projects
- SRK's opinion on the exploration and development potential of the projects
- A summary of the key technical risks and opportunities
- SRK's opinion on the appropriateness of Mont Royal's exploration work program.

1.1.1 Reporting standard

This IGR has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN (2015) Code).

The VALMIN Code incorporates the 2012 edition of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC (2012) Code).

The sections required as per Clause 19 of the JORC (2012) Code, which states, "...for significant projects the reporting of all criteria of sections 1 and 2 of Table 1 on an 'if not, why not' basis is required", are included in Appendix A.

1.1.2 Reliance on SRK

SRK is responsible for this IGR and for all the Technical Information that has been directly extracted from the IGR and reported in the Prospectus to be released by the Company in connection with the proposed ASX listing and to be dated around the same date as the IGR.

SRK declares that it has taken all reasonable care to ensure that the information contained in the IGR and included in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

SRK confirms that the presentation of information contained elsewhere in the Prospectus which relates to information in the IGR is accurate, balanced and not inconsistent with the IGR.

SRK considers that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinions presented in this IGR. The preparation of a IGR is a complex process and does not lend itself to partial analysis or summary.

SRK has no obligation or undertaking to advise any person of any development in relation to the mineral assets which comes to its attention after the date of this IGR or to review, revise or update the IGR or opinion in respect of any such development occurring after the Prospectus has been issued.

1.2 Base Technical Information, Effective Date and Publication Date

The date of the base Technical Information and the Effective Date of the IGR is 1 March 2019. The Technical Information contained in this IGR has been prepared as at the Effective Date.

1.3 Verification and validation

This IGR is dependent on technical, financial and legal input. In respect of the Technical Information as provided by the Company and taken in good faith by SRK, and other than where expressly stated, any figures presented have not been independently verified by means of re-calculation. However, SRK has conducted a review and assessment of all material technical issues likely to influence the Technical Information included in this IGR, which includes the following:

- An examination and review of the historical data made available to and sourced by to SRK
- Engagement with key technical and managerial personnel of Mont Royal and Centrepeak
- An examination, review and where appropriate identification of the key technical risks and opportunities as they relate to the Technical Information.

SRK confirms that it has performed all necessary validation and verification procedures deemed necessary and/ or appropriate by SRK in order to place an appropriate level of reliance on such Technical Information.

1.4 Limitation, reliance on information, declaration, consent and cautionary statements

1.4.1 Limitations

The Technical Information presented in this IGR relies on assumptions regarding certain forward-looking statements. These forward-looking statements are estimates and involve a number of risks and uncertainties that could cause actual results to differ materially. The projections as presented and discussed herein have been proposed by Mont Royal and cannot be assured; they are necessarily based on economic assumptions, many of which are beyond the control of the Company. Future cashflows and profits derived from such forecasts are inherently uncertain and actual results may be significantly more or less favourable. Unless otherwise expressly stated all the opinions and conclusions expressed in this IGR are those of SRK.

1.4.2 Reliance on information

SRK has relied upon the accuracy and completeness of technical, financial and legal information and data furnished by or through Mont Royal.

Mont Royal has confirmed to SRK that, to its knowledge, the information provided by it (when provided) was complete and not incorrect or misleading in any material respect. SRK has no reason to believe that any material facts have been withheld. While SRK has exercised all due care in reviewing the supplied information, SRK does not accept responsibility for finding any errors or omissions contained therein and disclaims liability for any consequences of such errors or omissions.

SRK's assessment of exploration results for the projects is based on information provided by Mont Royal throughout the course of SRK's investigations, which in turn reflect various technical and economic conditions prevailing at the date of this Report. These conditions can change significantly over relatively short periods of time. Should these change materially, the assumptions could be materially different in these changed circumstances.

This IGR specifically excludes all aspects of legal issues, marketing, commercial and financing matters, insurance, land titles and usage agreements, and any other agreements and/ or contracts Mont Royal may have entered into.

This IGR includes Technical Information, which requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce an error. Where such errors occur, SRK does not consider them to be material.

Certain units of measurements, abbreviations and technical terms are defined in the glossary of this IGR. Unless otherwise explicitly stated all quantitative data as reported in this IGR are reported on a 100 per cent basis. When referring to drill hole intercepts, note "downhole length, true width is not known".

Technical reliance

SRK places reliance on the Company and its technical representatives that all Technical Information provided to SRK as at the Effective Date is accurate.

Financial reliance

In considering all financial aspects relating to the Project, SRK has placed reliance on the Company that the following information is appropriate as at the Effective Date (defined below):

- Operating expenditures as included in the Company's development strategy and exploration programs
- Capital expenditures as included in the Company's development strategy and exploration programs
- All statutory and regulatory payments as may be necessary to execute the Company's development strategy and exploration programs.

The financial information has been prepared under the direction of BDO, 38 Station Street, Subiaco, WA, 6008, on behalf of the Board of Directors of the Company.

Legal reliance

In consideration of all legal aspects relating to Mont Royal's mineral assets, SRK has placed reliance on the representations of the Company that the following are correct as of the Effective Date (defined above) and remain correct until the Publication Date (defined above):

- That, save as disclosed in the Prospectus, the Company Directors are not aware of any legal proceedings that may have any influence on the rights to explore, develop and mine the minerals

present within and associated with the Company's mineral assets

- That the legal owners of all mineral and surface rights have been verified
- That save as expressly mentioned in the Risk Factors of the main body of the Prospectus, no significant legal issue exists which would affect the likely viability of the exploration and production licences as reported herein.

The Company's legal representative is Bellanhouse Lawyers, Level 19, Alluvion, 58 Mounts Bay Road, Perth, WA, 6000.

1.4.3 Declaration

SRK will receive a professional fee of approximately A\$26,000 for the preparation of this Report in accordance with normal professional consulting practices. This fee is not dependent on the findings of this IGR and SRK will receive no other benefit for the preparation of this IGR. Neither SRK nor any of the authors have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the mineral assets opined upon by SRK and reported herein.

Neither SRK nor the Competent Persons (as identified below) who are responsible for authoring this IGR, nor any Directors of SRK have, at the date of this Report, nor have had within the previous two years, any shareholding in the Company, the Mineral Assets, or any other economic or beneficial interest (present or contingent) in any of the assets being reported on. SRK is not a group, holding or associated company of the Company. None of SRK's partners or officers are officers or proposed officers of any group, holding or associated company of the Company.

Further, no Competent Person involved in the preparation of this IGR is an officer, employee or proposed officer of the Company or any group, holding or associated company of the Company. Consequently, SRK, the Competent Persons and the Directors of SRK consider themselves to be independent of the Company, its Directors, and Senior Management.

In this IGR, SRK provides assurances to the Board of Directors of the Company, in compliance with the Reporting Standard, that the exploration potential of the projects as provided to SRK by Mont Royal and reviewed and, where appropriate, modified by SRK, are reasonable, given the information currently available.

1.4.4 Consent

SRK will give its written consent to the inclusion of this IGR in the Prospectus and all of the information to be contained in the Prospectus which has been extracted directly from this IGR.

1.5 Indemnities provided by the Company

Mont Royal has warranted, in writing to SRK, that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

As recommended by the VALMIN Code, Mont Royal has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Mont Royal through Centrepeak or from Mont Royal (through Centrepeak) not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this IGR.

1.6 Qualifications of consultants and competent persons

The SRK Group comprises over 1,400 staff, offering expertise in a wide range of mining and resource engineering disciplines with 45 offices located on six continents. The SRK Group prides itself on its independence and objectivity in providing clients with resources and advice to assist them in making crucial judgment decisions. For SRK this is assured by the fact that it holds no equity in either client companies/subsidiaries or mineral assets.

SRK has a demonstrated track record in undertaking independent assessments of resources and reserves, project evaluations and audits, Competent Person's Reports, Mineral Resource and Ore Reserve Compliance Audits, Independent Valuation Reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide. SRK has also worked with a large number of major international mining companies and their projects, providing mining industry consultancy service inputs. SRK also has specific experience in commissions of this nature.

This IGR has been prepared based on a technical and economic review by Dr Michael Cunningham, a Principal Consultant based in SRK's office in Perth, Western Australia. The consultant has extensive experience in the mining and metals sector and is a member in good standing of appropriate professional institutions. The consultant is a specialist in the fields of geology and resource estimation (hereinafter the "Technical Disciplines").

The information in this IGR which relates to Exploration Results is based on information compiled by Dr Michael Cunningham, PhD (Geology), GradCert (Geostatistics), MAusIMM, MAIG, who is a full-time employee of and Principal Consultant (Geology and Resources) at SRK's Perth office. Dr Cunningham has reviewed the exploration results for the Edjudina and Yule River gold projects and takes overall responsibility for the IGR. Dr Cunningham is a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM). Dr Cunningham is a geologist with over 20 years' experience in the mining industry, including operational experience in gold, copper, silver, lead, zinc and other metals. He has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist Practitioner' under the VALMIN (2015) Code and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the JORC (2012) Code. Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Competent Person who has overall responsibility for the peer review of this IGR is Karen Lloyd, BSc (Hons), MBA, FAusIMM, who is an Associate Principal Consultant at SRK. Ms Lloyd is a Competent Person who is a Fellow of the AusIMM and has 22 years' experience in the mining and metals industry and has been involved in the preparation of Competent Person's Reports comprising technical evaluations of various mineral assets internationally during the past 10 years. She has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code (2012) and a Specialist Practitioner as defined in the VALMIN Code (2015). Ms Lloyd consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

2 Overview of Mont Royal

2.1 Introduction and corporate strategy

Mont Royal is a mineral resource company with an interest in two projects in Western Australia (Figure 2-1). Mont Royal Exploration Australia Pty Ltd (Mont Royal Exploration), the company that is the holder of the Edjudina Project, is a 100 per cent owned subsidiary of Mont Royal. Mont Royal Exploration was incorporated on 20 July 2018, and Mont Royal was incorporated on 26 March 2018. Mont Royal is domiciled in Nedlands, Western Australia.

Details of the current corporate structure of Mont Royal is detailed in the Prospectus.

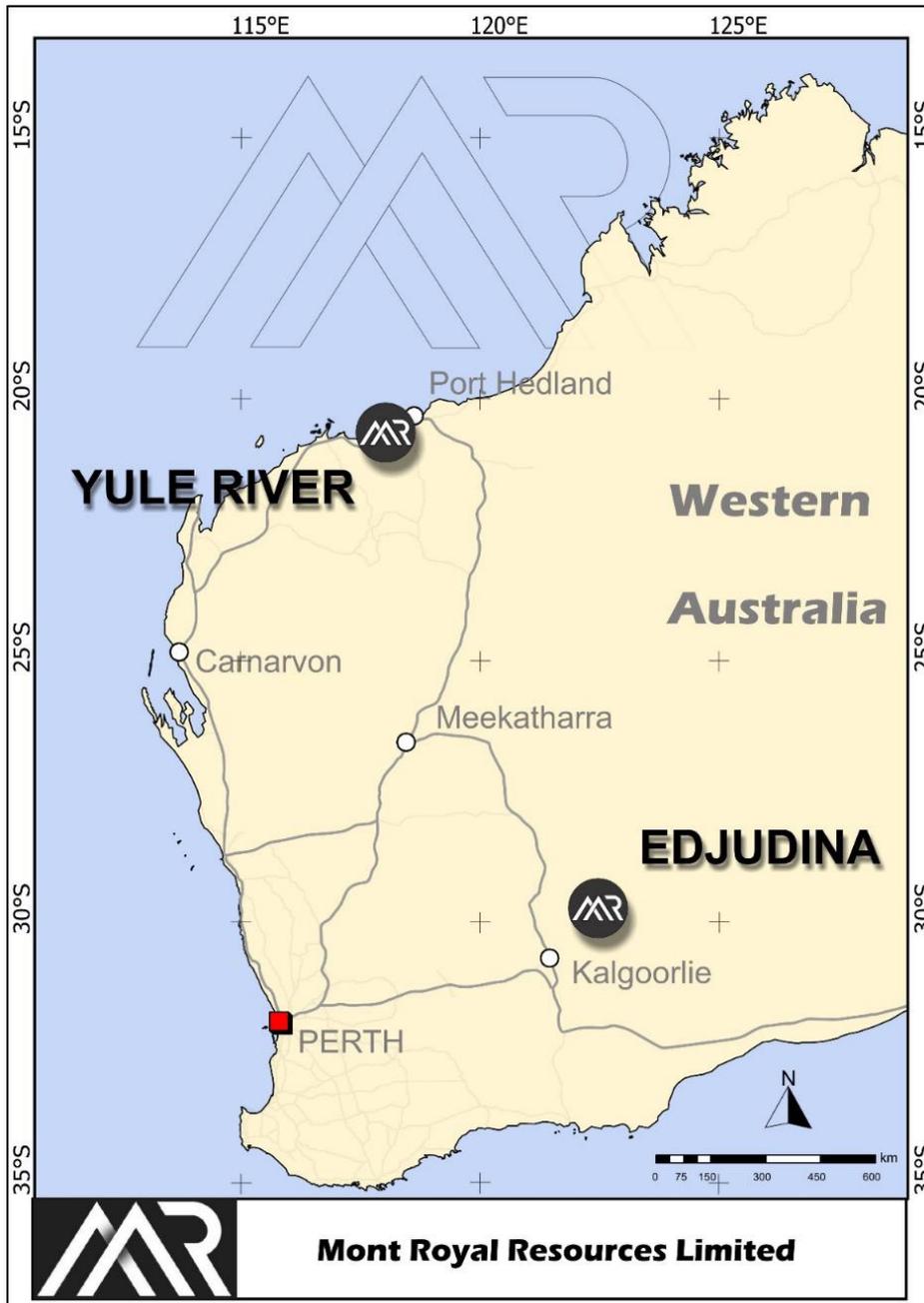


Figure 2-1: Location map

Source: Centrepeak.

2.2 Tenure and title

Mont Royal has an interest in two projects – the Edjudina Project and the Yule River Project – both located in Western Australia, as detailed below.

2.2.1 Edjudina Project

The Company (through Mont Royal Exploration) has a 100 per cent legal and beneficial interest in four exploration licences (E39/1992, E39/1993, E39/1994, E39/1995), covering an area of approximately 24 km² (Figure 2-2). The annual exploration expenditure commitments total A\$45,000 and annual rent is A\$1,703.

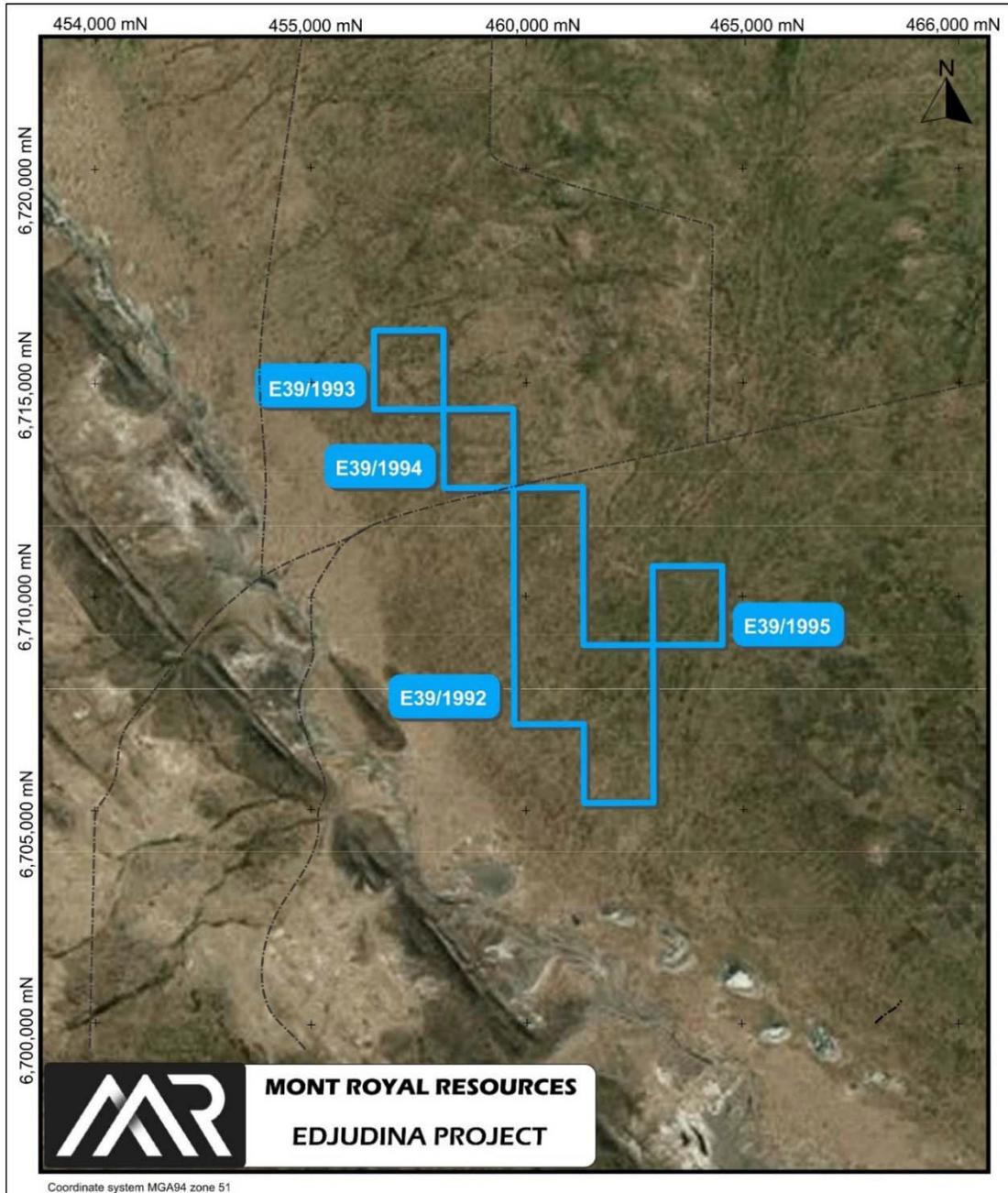


Figure 2-2: Edjudina Project tenure

Source of imagery: ESRI basemaps

2.2.2 Yule River Project

The Company has a contractual option to acquire the Yule River Project. The Yule River Project comprises one exploration licence (E45/4825) option, covering an area of approximately 225.1 km² (Figure 2-3). The annual exploration expenditure commitment is A\$70,000 and annual rent is A\$9,520:

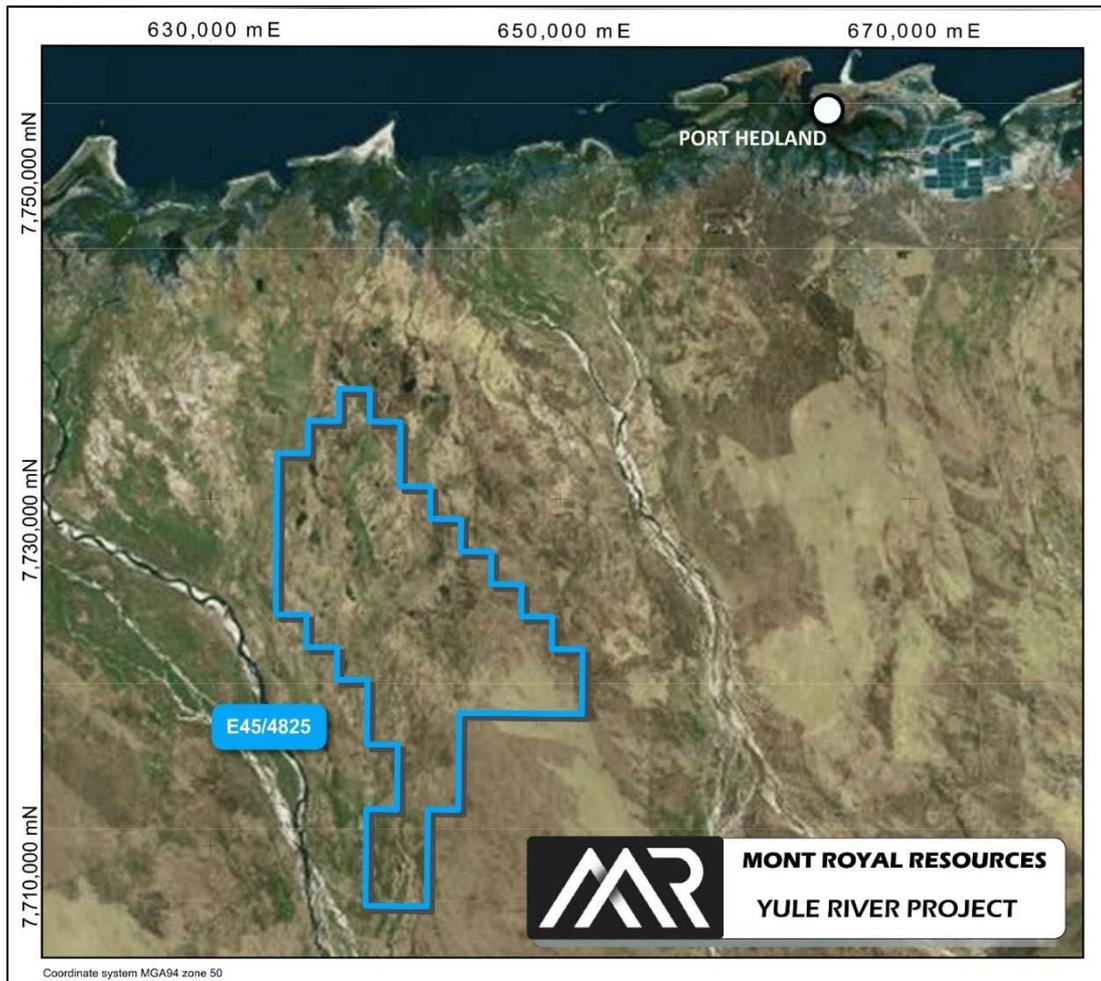


Figure 2-3: Yule River tenure

Source of imagery: ESRI basemaps

The schedule of tenements and annual expenditure commitments for the projects are set out in Table 2-1 and Table 2-2 respectively.

Table 2-1: Summary of tenement status*

Tenement	Project	Registered holder	Status	Date granted	Expiry date	Area (km ²)
E39/1992	Edjudina	Mont Royal Exploration	Granted	21/04/2017	20/04/2022	14.9
E39/1993				21/04/2017	20/04/2022	3
E39/1994				21/04/2017	20/04/2022	3
E39/1995				21/04/2017	20/04/2022	3
E45/4825	*Yule River	Centrepeak Resources	Granted	16/08/2016	06/09/2023	225.1

Notes:

* The Yule River Project tenement is currently owned by Centrepeak Resources Group.

For further details regarding the status of these tenements and the associated acquisition agreements entered into by Mont Royal pertaining to these tenements, refer to the Solicitor's Report in the Prospectus.

Table 2-2: Expenditure commitments

Tenement	Project	Annual rent (A\$)	Required expenditure (A\$)
E39/1992	Edjudina	680	15,000
E39/1993		341	10,000
E39/1994		341	10,000
E39/1995		341	10,000
E45/4825	Yule River	9,520	70,000

The total area covered by the Edjudina Project is 23.9 km². If Mont Royal takes up the Yule River option, the total area of Mont Royal's exploration portfolio will increase to 249 km².

2.2.1 Option agreement

Mont Royal has entered into an option agreement with Centrepeak for the Yule River Project. Details can be found in the Prospectus and the Solicitor's Report.

3 Regional Setting

3.1 Geography and physiography

Western Australia, the largest state in Australia, covers a total area of approximately 2,529,875 km², and has a population of approximately 2.7 million. Most of the population resides in the state's capital city, Perth (Figure 3-1).

The Edjudina and Yule River projects are located in the Shire of Menzies and the Town of Port Hedland administrations respectively.

The Edjudina Project is located in the southeastern part of the state, to the north of the low relief Nullarbor Plain and Euclean Basin. The Edjudina Project lies along a low to moderate relief valley which drains the higher terrain of the Yilgarn Craton to the north, forming a northwest–southeast trend.

The Yule River Project is located in the northwest of the state, in a very low relief area at low elevations. The Yule River Project lies immediately north of the Chichester Range.

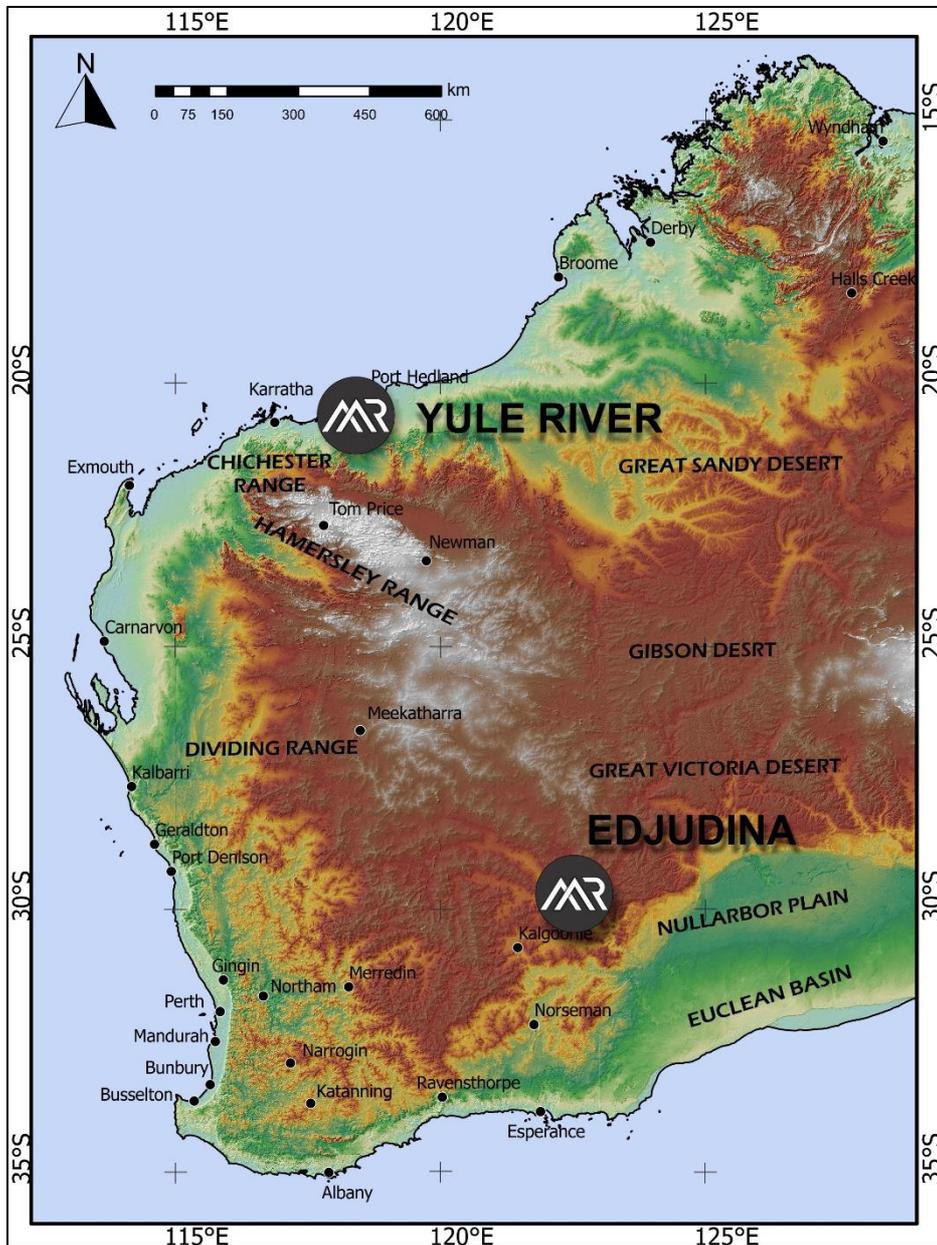


Figure 3-1: Regional physiography and topography of Western Australia

3.2 Climate and vegetation

The climate across Western Australia varies from semi-continental Mediterranean with relatively cool, wet winters contrasted by hot and dry summers in the southwest and much of the coast, to semi-arid and desert conditions in the east, to tropical in the north.

The **Edjudina Project** region is characterised by its high summer temperatures, cool to cold winters. Daily maximum temperatures range from 30°C to ~45°C during the summer months (December to February), falling to minimum temperatures of 15°C to 25°C during winter. The average annual rainfall is in the order of 266 mm, with a large proportion of this rain falling in the winter months due to cold fronts from the southwest. Precipitation is erratic and sporadic during the summer months and is normally associated with tropical cyclone rain-bearing depressions (from the northwest). There are 80–100 days of rain per year. Average wind speeds are generally less than 3 m/sec, with the predominant wind direction being from the northeast and northwest. Vegetation includes mulga, eucalypt, spinifex and acacia shrubs.

The **Yule River Project** region experiences an arid continental climate characterised by very high summer temperatures. December and January are the hottest months, with average maximum temperatures exceeding 40°C and record highs over 48°C. From October to February, the average monthly maximum temperature exceeds 36°C. This results in maximum temperatures exceeding normal body temperature for more than six months of the year. The lowest temperatures occur in the winter months between June and August, where average maximum temperatures are below 30°C and average minimum temperatures are 12°C to 13°C. Precipitation is generally light and infrequent, mostly falling between January and March. Rain sporadically falls between the months of July and November, with September and October being the driest months. Except for a few isolated pools, creeks are generally dry throughout most of the year, but can rise rapidly and flood large areas after heavy rains (predominantly during the summer months). Because a high proportion of the rainfall can be from a small number of large storms, flooding in the vicinity major river and creek systems is not unusual. The vegetation is covered by a ubiquitous ground cover of spinifex grass and scattered shrubs of hakea, acacia and grevillea. Larger trees, including eucalyptus and melaleuca species, are mostly confined to the immediate vicinity of drainage lines.

3.3 Geological framework

Mont Royal's projects fall within two major terranes of the Western Australian Craton – the Yilgarn Craton (Edjudina) and the Mallina Basin (Yule River).

3.3.1 Edjudina Project setting

The Edjudina Project is located within the Eastern Goldfields Superterrane, and more specifically within the Kurnalpi Terrane of the eastern portion of the Norseman-Wiluna Greenstone Belt (Figure 3-2), also known as the Linden Domain (Cassidy et al., 2006). The Archaean rocks in the area consist of supracrustal sequences, comprising metamorphosed sedimentary and volcanic rocks in greenstone belts of lower greenschist to mid-upper amphibolite facies adjacent to regional granitoid and migmatitic gneisses. The area is almost entirely covered by transported material consisting of colluvium, subordinate laterite, alluvium, dunes and playas lake clays. The greenstone and granitoids are dominated by north–northwesterly trending folds, and parallel fault zones that commonly mark apparent truncations of the lithostatigraphy (Groenewald et al., 2000).

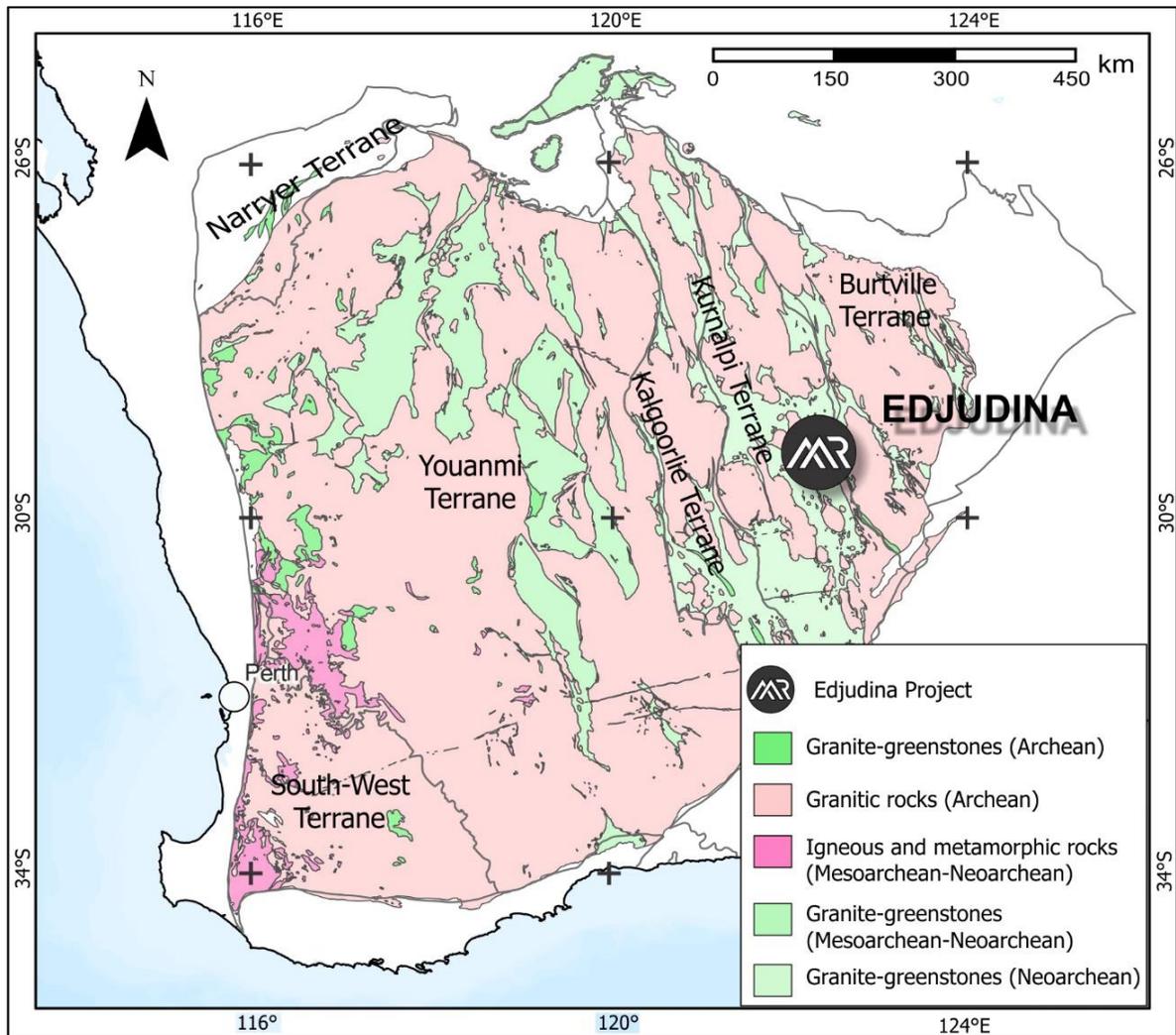


Figure 3-2: Yilgarn Craton and major terranes showing location of Edjudina Project

The greenstones are comprised largely of komatiitic and volcanic rocks, with widespread andesite to rhyolite facies and layered mafic to ultramafic intrusions of subvolcanic origin. The sedimentary rocks consist of undifferentiated sediments that include shale, siltstone, chert, sandstone, pebbly sandstone and conglomerate, derived from marine to terrigenous environments. The granitoids range in age from synchronous with emplacement of the felsic volcanics to post-tectonic. Proterozoic mafic dykes trend east–northeasterly.

Gold mineralisation potential

The Yilgarn Craton contains a diverse range of gold mineralisation styles that formed at multiple stages of its evolution (Robert et al., 2005). The majority of Archaean gold mineralisation occurrences belong to a group of structurally controlled lode-type mineralisation, commonly referred to as 'orogenic gold' (Groves, 1993). This type of mineralisation occurs in Archaean greenstone belts globally, such as the Abitibi Sub-province in Canada, as well as in Paleoproterozoic terranes, such as the Birimian-aged belts such as West Africa and northeastern South America. It is the predominant mineralisation type in the Yilgarn Craton and includes giant deposits (>10 million oz) such as Golden Mile, Victory-Defiance, Sunrise Dam, Jundee and Mt Charlotte.

Gold mineralisation occurs in all major rock types, as well as all terranes of the Yilgarn Craton, including those metamorphosed to amphibolite and granulite facies assemblages. The range of styles of mineralisation changes in a general sense with the regional metamorphic grade of the host terrane, with more ductile styles apparent in terranes metamorphosed to amphibolite facies. In addition, the

alteration minerals associated with the gold mineralisation also change in a general sense with the metamorphic grade of the host terrane. The variations in host terranes, style of mineralisation, associated structures and alteration need to be considered when exploring for gold mineralisation across the Yilgarn Craton.

3.3.2 Yule River Project setting

The Yule River Project lies within the Pilbara Craton and covers a north trending arm of the Archaean Mallina Basin (3,015 Ma) bounded on the western side by the Portree Granite Complex of the Sisters Supersuite (2,946 Ma) and to the east by the Carlindi Batholith which forms part of the Split Rock Supersuite (2,831–2,851 Ma). The southwestern edge of the Mallina Basin is faulted against felsic to basaltic volcanoclastic rocks of the Whim Creek Group. The southeastern boundary is marked by a major structural break that separates it from an older mafic–ultramafic province.

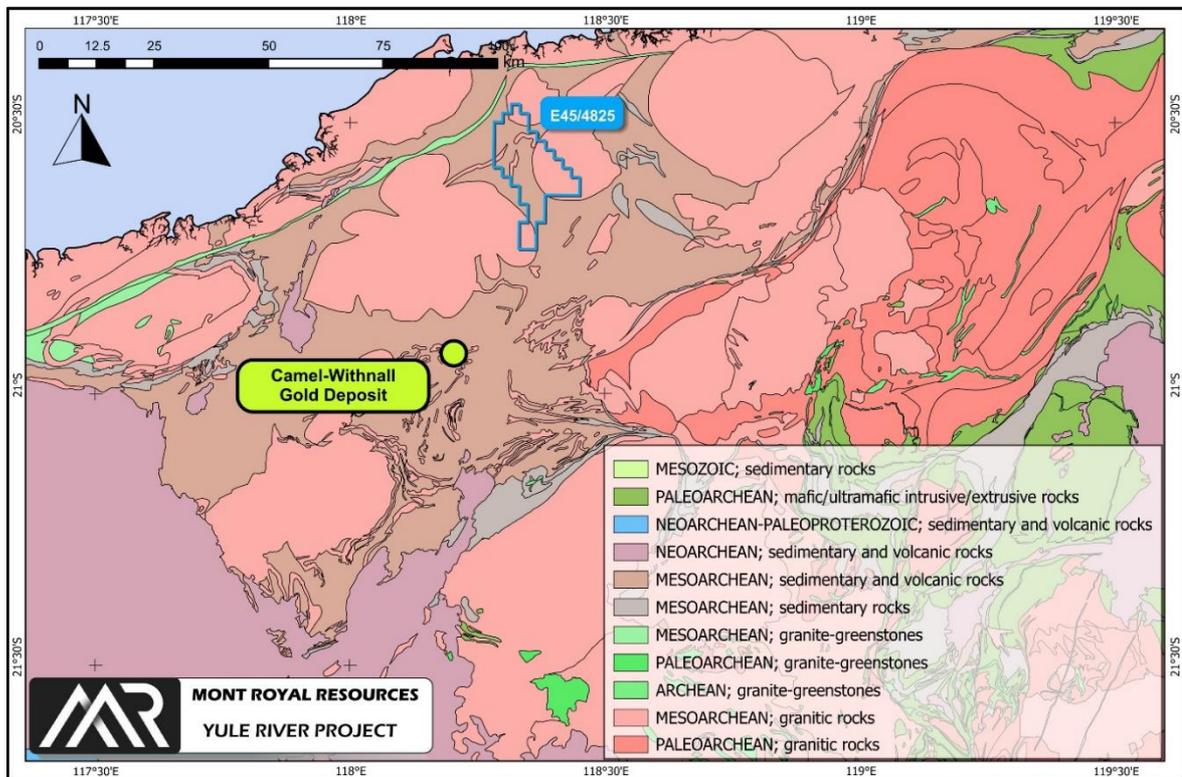


Figure 3-3: Major tectonic terranes of the Yule River Project

The northwestern part of the Mallina Basin is overlain by the Fortescue Group (2,765 Ma) and the northern part is intruded by the Portree Granite Complex.

The Peawah Granodiorite (2,948 Ma) intrudes the southern part of the basin and small granitoid stocks occur throughout the metasedimentary sequence. Rock types within the Mallina Basin include fine- to coarse-grained clastic metasedimentary rocks, with lesser mafic–ultramafic volcanic and intrusive rocks, minor felsic intermediate volcanoclastic rocks and granitoids.

Gold mineralisation potential

The most significant gold deposits within the Mallina Basin, the ~500,000 oz Camel–Withnell deposits occur approximately 30 km south of the Yule River Project.

Orogenic gold mineralisation

The style of potential mineralisation at both Edjudina and Yule River projects is likely to be of orogenic gold mineralisation. This mineralisation style is typified by fault- and shear-related, structurally

complex mineralisation that can occur in a spectrum of styles ranging from narrow, high-grade vein (e.g. Kundana near Kalgoorlie), to shear-hosted disseminated (e.g. Thunderbox near Leonora), to sheeted vein or stockwork mineralisation (e.g. Mt Charlotte in Kalgoorlie).

At the regional scale, most orogenic gold deposits are spatially associated with regional shear zones. In greenstone belts, significant vein-hosted gold deposits are typically distributed along specific regional structures formed under compressional to transpressional regimes. Due to their association with regional structures, such gold camps are typically located at the boundaries of contrasting lithologies or age domains within the greenstone belts. Within these camps, the gold deposits commonly cluster along structures where they are localised at bends within the structure or at the intersection of two or more faults (Goldfarb et al., 2005; Robert et al., 2005).

Gold mineralisation occurs in most rock types, with the size of the deposit dependent on both structural and lithologic factors (Groves et al., 1990; Robert, 2005). However, the presence of structures (such as faults and shear zones) and the way in which rocks deform (i.e. brittle or ductile) are major determinants of gold localisation.

For example, the following settings are universally present in economic gold deposits:

- Faults developed along the contacts between differing rock types, often between units of contrasting competencies, with gold mineralisation preferentially occurring at bends and intersecting structures
- Competent rock units enclosed within less competent sequences favour fracturing and veining. Common gold-bearing rock types include iron-rich rocks such as tholeiitic basalts, differentiated dolerite sills and banded iron formations (BIFs), and intermediate to felsic intrusions, whether they intrude mafic–ultramafic volcanic or clastic sedimentary rocks.

Examples of general deposit models with “early syn-tectonic mineralisation” in the Yilgarn Craton are evident in the Leonora district and include deposits such as Sons of Gwalia, Tower Hill and Harbour Lights (Witt, 2002). These deposits are defined by ductile, high strain zones, where the hydrothermal system has developed and is marked locally by quartz veining and potassic alteration. A broader carbonate alteration system and geochemical anomalies provide an enlarged footprint to the gold zone, which is useful for exploration purposes. This would typically include increased levels of arsenic and antimony (extending for more than 500 m around the main gold deposit), potassium, rubidium, and caesium (200 m) and gold, bismuth, molybdenum, and tungsten (up to 150 m) around the gold mineralisation.

Late-stage gold mineralisation recognised by Witt (2002) and termed “late–post-tectonic mineralisation”, includes deposits such as Tarmoola, which are considered more widespread than the early gold mineralisation. In this type of deposit, gold mineralisation occurs in brittle-ductile faults, particularly where there are contrasts in rock mass strengths. This style of mineralisation is typically developed along north–south oriented faults and where these faults are intersected by later structures, including west–northwest striking faults (Thebaud, 2010). A broad potassic alteration zone and a larger zone of carbonate alteration are typical features of this style of mineralisation.

Figure 3-4 shows an example of orogenic gold in comparison with other styles of gold mineralisation such as placer, skarn, epithermal or porphyry deposits.

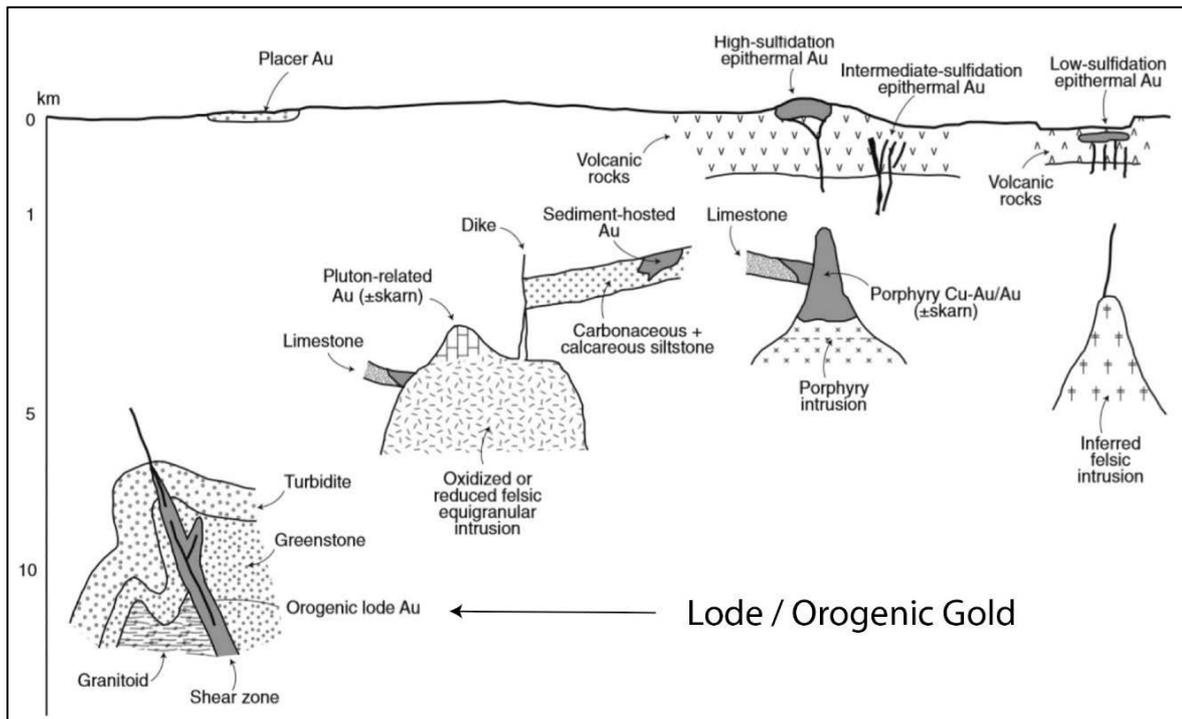


Figure 3-4: Lode/ orogenic gold in relation to other types of gold deposits

Source: Sillitoe, 2008.

3.4 Review

The purpose of this IGR is to provide an impartial assessment of the technical data and merits of the Edjudina Project and the Yule River Project, as well as comment on the exploration program proposed by the Company for the Edjudina Project.

A review of the prospect areas within the Edjudina Project and the Yule River Project by previous companies (as detailed below) showed that both projects are prospective for orogenic/ lode gold as being the principal potential mineralisation system. Historical exploration has also identified potential lithium-tantalum hosting pegmatites within the Portree Suite, located in the southern part of the Yule River Project.

3.5 Site inspection

SRK considers the projects to be at the early exploration stage, with very little surface exposure and minimal infrastructure. SRK did not undertake a site visit to the projects for the purpose of this Report as a site inspection was deemed unlikely to reveal any information which material to this IGR.

4 Edjudina Project

4.1 Project description

The Edjudina Project, 100 per cent owned by Mont Royal, is located approximately 170 km northeast of Kalgoorlie (Figure 4-1). The closest population centre is Laverton, approximately 130 km to the north of the tenement boundary, with a population of about 4,900.

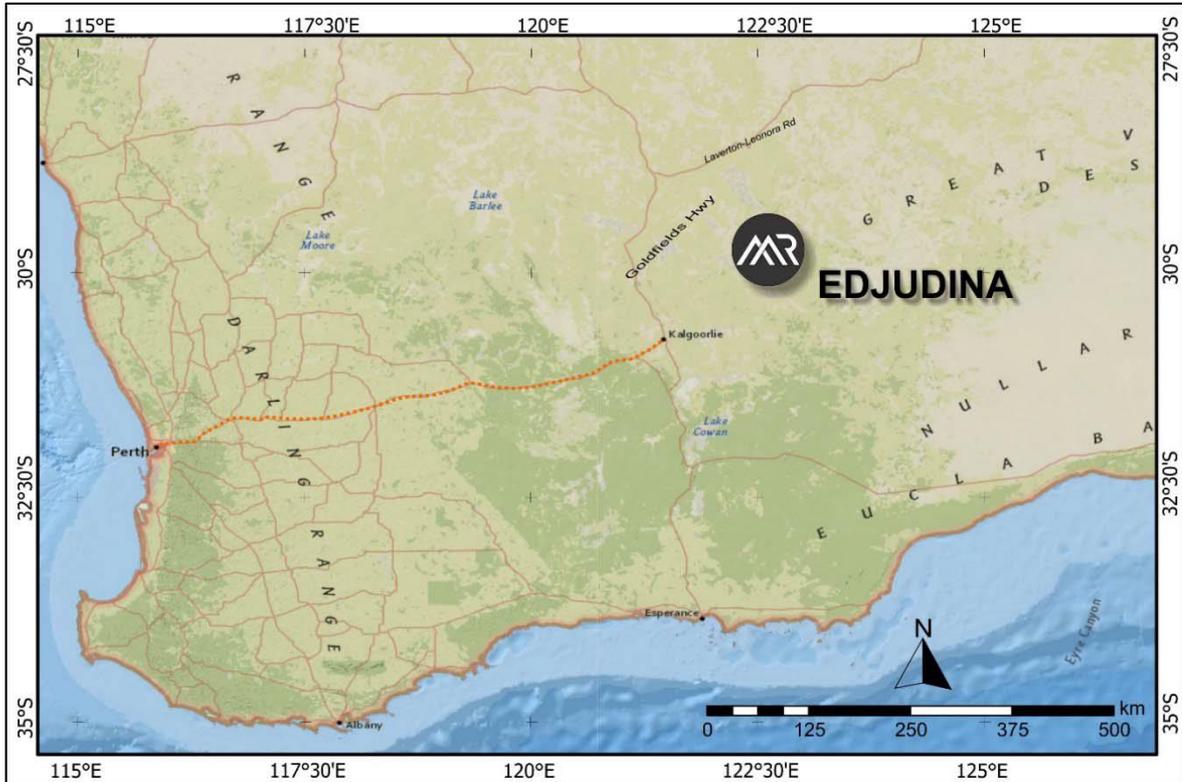


Figure 4-1: Regional location of the Edjudina Project

The closest settlements are Yarri and Edjudina homesteads, where access to the Edjudina Project is via the Yarri Road, Mount Celia Road and established station tracks.

4.2 Topography

The local terrain across the Edjudina Project area rises from about 290 m above sea level (asl) to over 500 m asl. The lowest elevations are located in a northwest–southeast valley and steadily rises to the northeast. To the west, there is a narrow (~50–100 m wide) northwest–southeast ridge which rises above the surrounding topography by around 50 m (Figure 4-2).

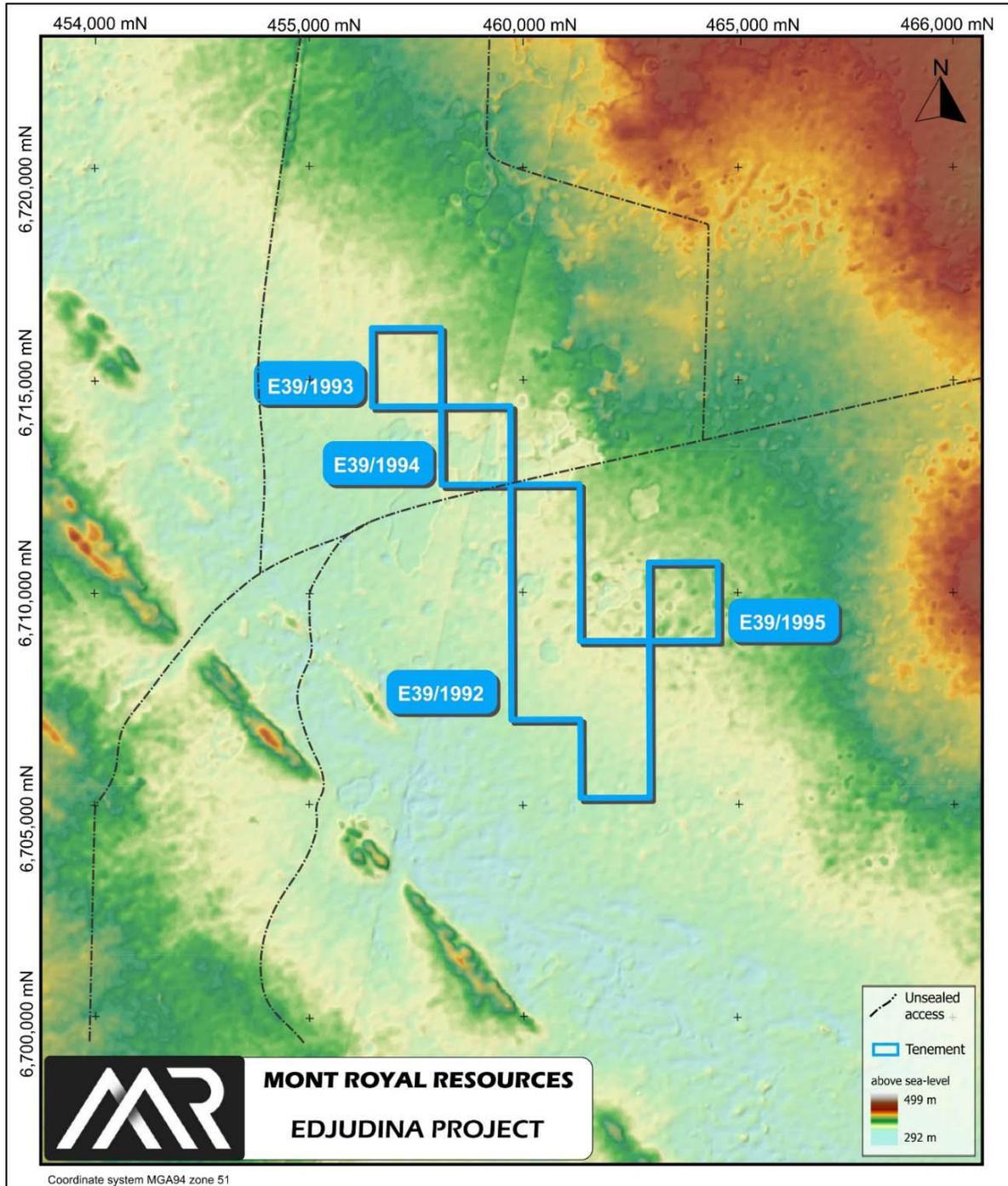


Figure 4-2: Topography of Edjudina Project

Source: Shuttle Radar Topography Mission (SRTM), USGS (2006).

4.3 Geology and mineralisation

The Edjudina Project is located within the Linden domain. Like many domains, it is characterised by broadly north trending greenstone belts. It is bounded on the east by a major regional structure, the Hootanui Fault Zone, which forms a major terrane boundary between the Kurnalpi Terrane (Linden domain) to the west and the Burtville Terrane (Duketon domain) to the east (Figure 4-3).

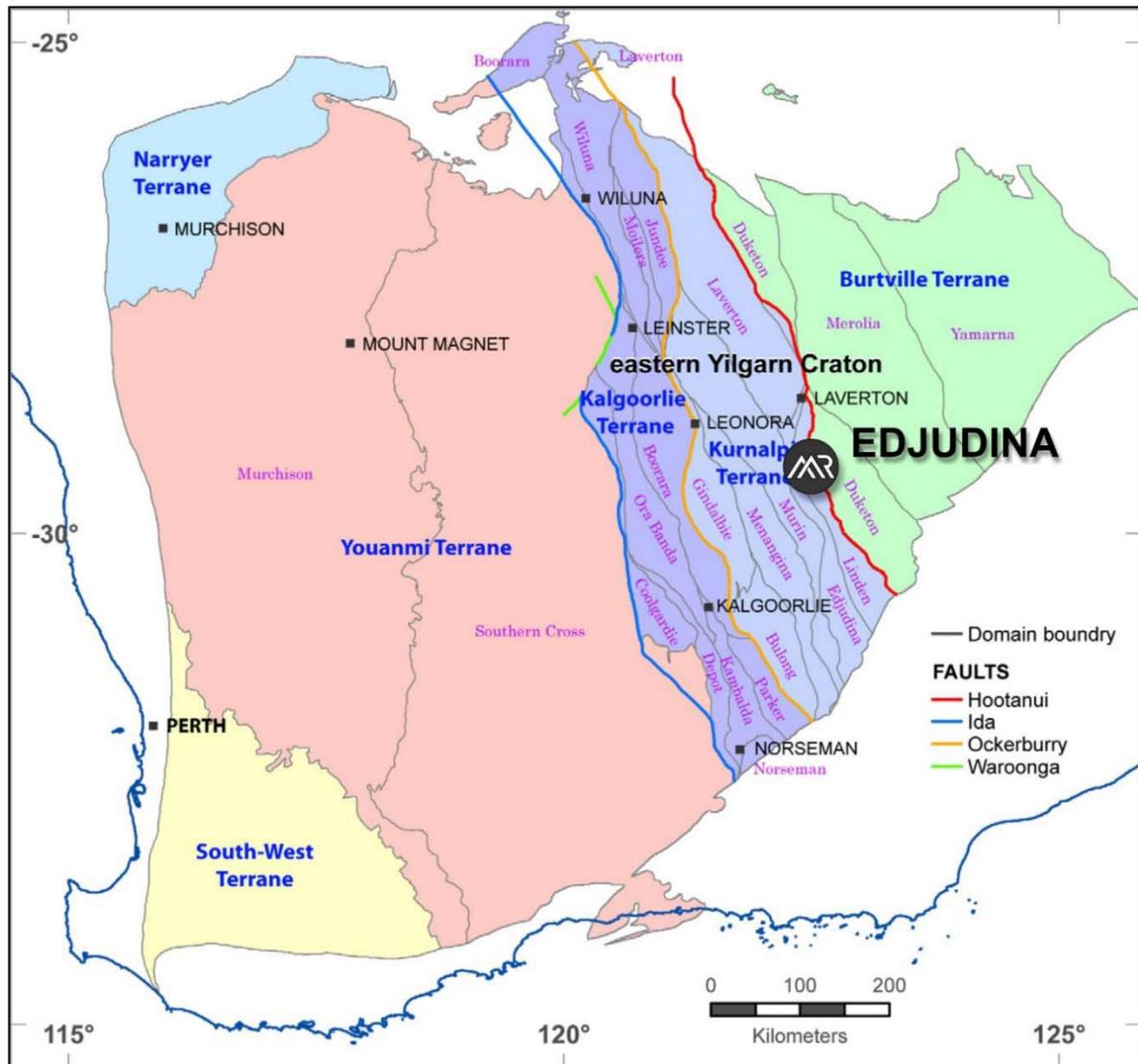


Figure 4-3: Geological terranes and domains of the Yilgarn Craton

Source: Czarnota et al., (2010) after Cassidy et al., (2006).

4.3.1 Regional geology

The Edjudina Project is located in the Archaean aged Kurnalpi Terrane, or also known as the Norseman-Wiluna Greenstone Belt, consisting of greenstone metasediments and volcanics, and granitoid intrusion. The greenstones are comprised largely of komatiitic and volcanic rocks, with widespread andesite to rhyolite facies and layered mafic to ultramafic intrusions of subvolcanic origin. The sedimentary rocks consist of undifferentiated sediments that include shale, siltstone, chert, sandstone, pebbly sandstone and conglomerate, derived from marine to terrigenous environments. There are two generations of granitoid intrusion, comprising synchronous and post-tectonic emplacement of felsic volcanics. The rocks have experienced high temperature–high pressure regional metamorphism, up to amphibolite facies.

Several northeasterly trending Proterozoic mafic dykes occur and are seen in magnetic survey data (Figure 4-4). The magnetic data also shows a strong north–northwest trend relating to northeast–southwest directed compression (Blewett et al., 2010). The strong north–northwest magnetic lineaments, west of the tenement boundaries, are related to thrusting, and form a topographic scarp.

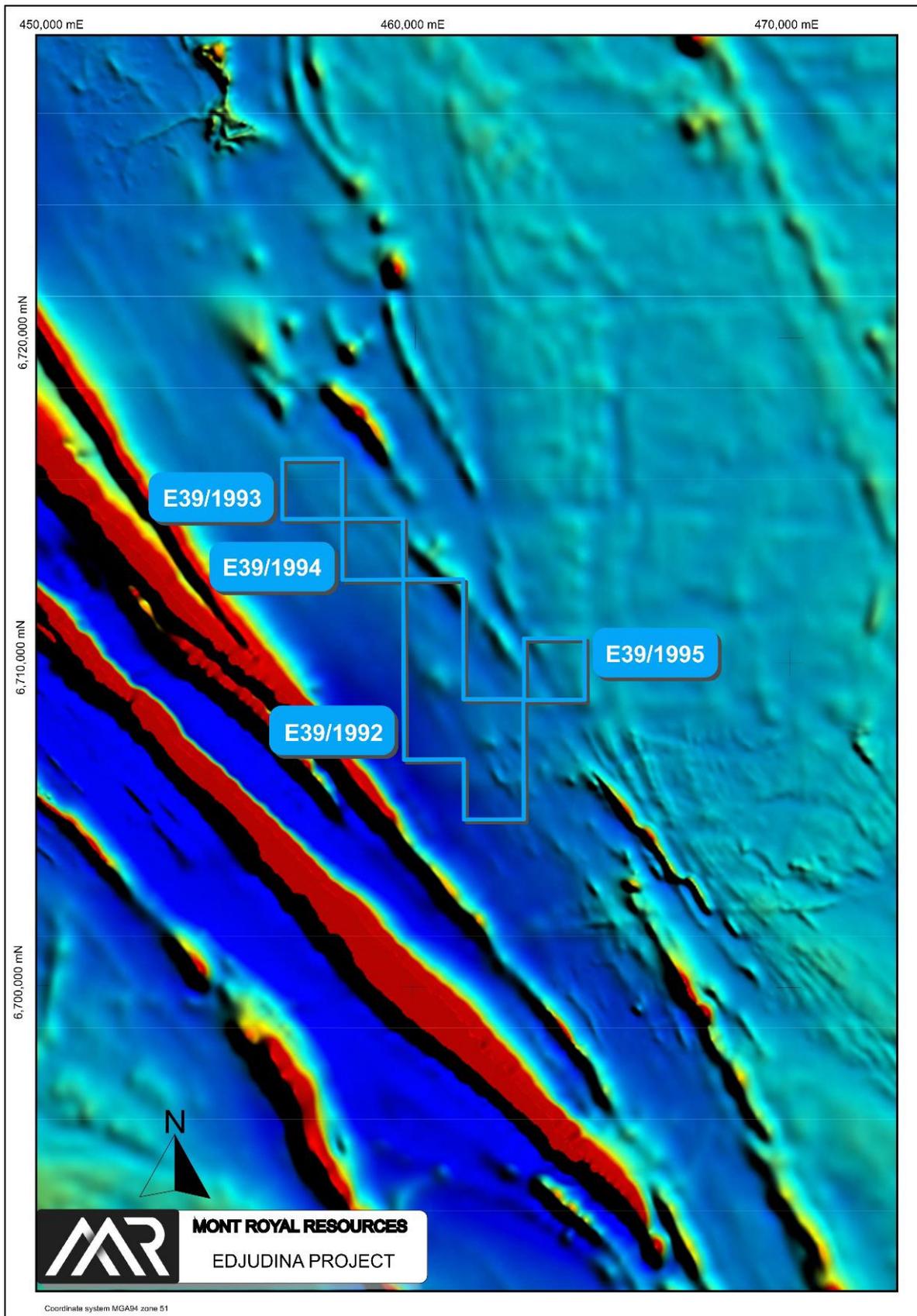


Figure 4-4: Regional magnetic geophysical image showing the Edjudina Project location and strong northwest trending lineaments

Source: Geoscience Australia magnetic grid of Australia V6, 2015.

4.3.2 Project geology

There is very little outcrop within the Edjudina Project (Figure 4-5), with the main area covered by sand deposits, described as “sandplain – yellow sand with some pisolitic laterite pebbles; includes stabilised dunes” (Chen, 1998). Previous drilling in the tenements has identified transported cover up to 10 m in thickness, and moderate weathering beneath cover, with up to 50 m of regolith in places (e.g. WAMEX reports a38836, a48006).

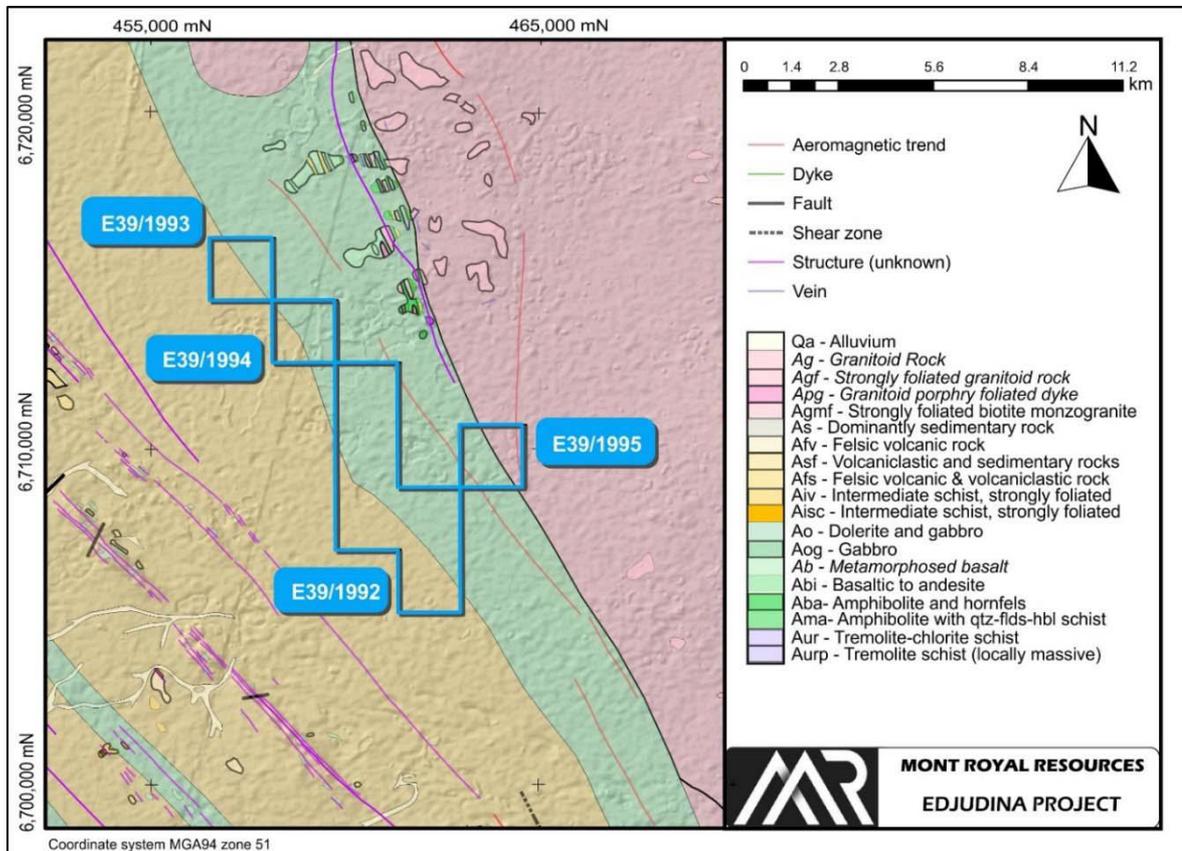


Figure 4-5: Surface geology of Edjudina Project and surrounds

Source: Chen (1998), Yabboo Map Sheet 3438 (1: 100,000).

The interpreted geology of the Edjudina Project, under cover, consists of a west–east sequence of shales, cherty felsic meta-sediments, mafic and ultramafic rocks, and diorite to granodiorite dykes that are in direct contact with strongly foliated monzogranite (Figure 4-6).

Komatiite and peridotite are present just to the northeast of tenements E39/1993 and E39/1994. The ultramafic rocks consist of fine-grained peridotites to talc carbonate schists. These are in direct contact with fine-grained mafic rocks to the west. The contact between both units is highly deformed and consists of rocks derived from a tholeiitic magmatic series, classified as high-Mg spinifex-textured basalt.

A major north–northwest structure, the Pinjin Fault or Shear, traverses the western part of the Edjudina Project, and correlates with the southern extension of the Celia Tectonic Zone that is associated with the gold mineralisation at Safari Bore (Figure 4-6).

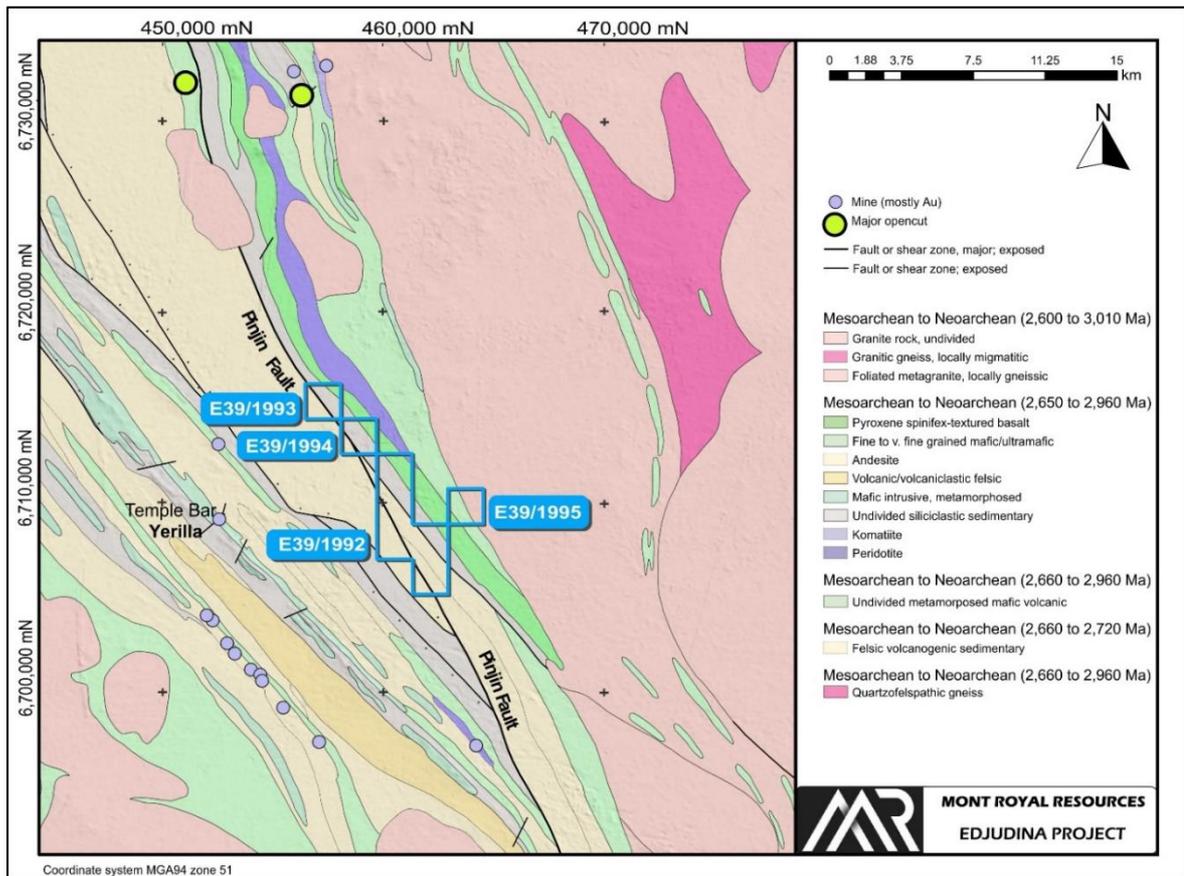


Figure 4-6: Geology showing nearby mines

Source: GSWA (2016), 1:500,000 scale digital geology.

4.4 Nearby mines and deposits

The Edjudina Project is located approximately 15 km southeast of the Deep South and Safari Bore prospects (Figure 4-6), which are owned by Saracen Mineral Holdings Pty Ltd. Deep South has produced approximately 45,000 oz Au with remaining resources and reserves of 325,000 oz and 101,000 oz respectively. Safari Bore has a remaining resource of 200,000 oz (Saracen Mineral Holdings, Annual Report 2018, page 28).

The primary structures controlling mineralisation at Deep South are interpreted to have a northwest-southeast trend (Figure 4-6). Gold mineralisation at Deep South is hosted by steep west dipping, quartz-carbonate-pyrrhotite-magnetite veins within quartz metasediments adjacent to lenticular ultramafic units. Safari Bore is hosted by andesitic to dacitic metavolcanics rocks, with gold primarily associated with subvertical to west-southwest dipping quartz veins, within an anastomosing shear zone.

A similar structural pattern of known gold deposits is presented on Figure 4-7, e.g. Red October and Sunrise Dam, which are 60 km and 75 km north of the Edjudina Project respectively; Porphyry, which is 30 km to the west, and Carosue Dam located ~55 km to the southwest.

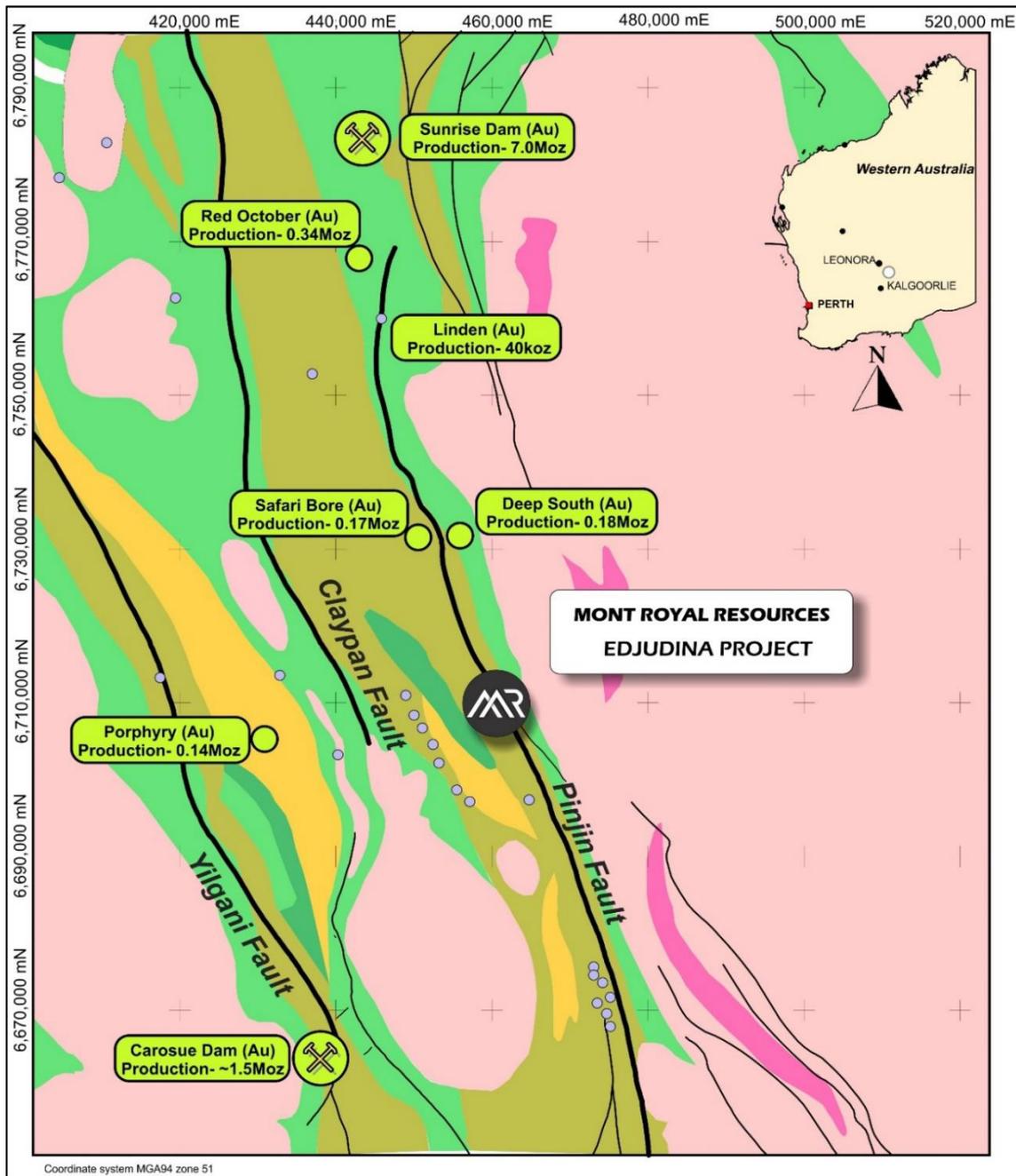


Figure 4-7: Regional map showing location of major gold production

4.5 Previous exploration

The Edjudina Project has been intermittently explored for gold since the 1980s, but the main programs began from the early 1990s. The thick transported cover (10–20 m) and thick weathered regolith beneath has resulted in unreliable results from soil sampling, with more reliance on drilling and geophysics required. However, several drill holes intercepted strong gold anomalies, though most were vertical, so the true thickness of the intervals is unknown.

The southerly strike extension of structures from the Safari Bore and Deep Well gold deposits is most likely the Pinjin Fault or Shear. The strike extent of this shear warrants further follow-up exploration (more than 12.5 km of strike is untested). The potential for the shear to host gold at depth has not been sufficiently tested, particularly where there may be high-angled fault splays intersecting the main structure, and at fault intersections or conjugate zones.

Historical workings have shown that detailed and careful interpretation of structure and lithology is required to target and identify high grade zones. Further targeting will focus on the contact between siliciclastic sedimentary sequences and the spinifex-textured basalt to the east, as well as the contact between the former sequence and volcanogenic sedimentary sequences to the west. There is approximately 7 km of contact-related targets that require systematic exploration.

The following summarises the historical exploration of the Edjudina Project area and is based on information in open file mineral exploration reports accessed through the West Australian Department of Mines, Industry and Safety (DMIRS) WAMEX database.

4.5.1 Newcrest Mining (1992–1993)

Modern exploration at the Edjudina Project commenced in 1992 when Newcrest Mining Limited (Newcrest) explored the project as part of a larger regional exploration program known as the Phantom Well prospect (within then tenement E39/409). Newcrest focused on discovery of near-surface laterite and oxide gold mineralisation in areas immediately surrounding historical workings. Exploration included regional mapping, rock chip sampling, close-spaced auger laterite and soil sampling, and shallow percussion and re-sampling of rotary air blast (RAB) drilling. One of the main objectives was to determine the best method for detecting bedrock mineralisation beneath thick transported overburdens. The re-sampled RAB holes were selected because they were known to be 'weakly mineralised'. The results were inclusive, with a best assay of 7 ppb Au being detected in calcrete (transported overburden depth of 13–15 m) and 3 ppb in calcrete (transported overburden depth 24 m) (WAMEX Report a38836).

4.5.2 Aberfoyle Resources (1994–1998)

Following on from Newcrest's work, exploration of the Phantom Well prospect between 1994 and 1998 was undertaken by Aberfoyle Resources in the following exploration programs:

- April 1994 to April 1995: Data compilation, aeromagnetic interpretation and broad-spaced auger and shallow RAB drill sampling (1,698 samples). The results outlined several low order gold anomalies (WAMEX Report a44635).
- April 1995 to April 1996: Gridding, a structural interpretation of multiclient aeromagnetic data, soil auger sampling (626 samples) and the drilling of 191 RAB drill holes for 3,925 m. Encouraging gold grades were discovered in one hole. However, it was concluded that the failure of the RAB drilling to penetrate the relatively deep residual profile resulted in a number of potential gold anomalies on the western side of the tenement remaining untested (WAMEX Report a48006).
- April 1996 to April 1997: Gridding, collation and interpretation of all available data, the drilling of 107 aircore drill holes for 6,735 m and 286 RAB drill holes for 11,969 m. The drilling returned numerous anomalous gold results (WAMEX Report a51275).
- A few additional anomalies from RAB and aircore drilling of magnetic anomaly targets were encountered, but nothing significant in the Edjudina Project area (WAMEX Report a53922). Further reverse circulation (RC) drilling of previously defined RAB gold anomalies intersected anomalous gold mineralisation and significant alteration (WAMEX Report a54870).

4.5.3 PacMin Mining Corporation (1998–2001)

PacMin continued with exploration of the Phantom Well prospect. An initial review of existing exploration data recommended additional RAB and aircore drilling be conducted along an interpreted north–northwest trending mineralisation and alteration corridor (WAMEX Report a58463). Further reviews of previous data were completed between 1999 and 2001, with no additional data acquisition or target generation (WAMEX Reports a60512, a62795) taking place.

4.5.4 Gutnick Resources (2000–2003)

Gutnick commenced exploration of the Phantom Well prospect and adjacent tenements from mid-2000. Auger soil sampling returned minor sporadic gold anomalism located along a major north-south regional structure and above relatively deep cover. Some infill sampling was then carried out to confirm the low-order anomalism. Some auger drilling was conducted at the Phantom Well prospect to follow up on gold anomalism interpreted to be associated with a buried banded iron formation unit. However, the assay results were disappointing and failed to confirm previous anomalism (WAMEX Report a63182).

In 2002 and 2003, Gutnick focused further north of the current Edjudina Project, and carried out exploration, including geological and aeromagnetic interpretation, rock chip sampling and RAB drilling. The drilling targeted potential mineralisation associated with the structure controlling the Deep South open cut mine. Although there were several weakly anomalous values, the results were deemed disappointing and no further work was performed (WAMEX Report a68859).

4.5.5 Sons of Gwalia (2002–2004)

From 2002, Sons of Gwalia continued the exploration efforts over the Phantom Well prospect.

Exploration included both aeromagnetic and geological interpretation followed by drilling of 138 RAB holes for 4,649 m and 35 aircore holes for 2,325 m. The drilling was undertaken to test the interpreted southern strike extensions of the Safari and Deep South mineralised trends. Transported cover over the prospect was thick, reaching 50–60 m, beneath which a deep regolith profile is developed. To the north of the Edjudina Project, low-level gold anomalism was returned. The drilling intersected sequences of intermediate to felsic volcanoclastic sediments and three north–northwest trending units of ultramafic schist associated with laminated siltstone and chert. However, no drilling by Sons of Gwalia was completed within the Edjudina Project area.

The entire sequence is strongly foliated with strong sericite-chlorite alteration of the sediments and carbonate-talc alteration of the ultramafic units. The weak gold anomalous intercepts defined a north-northwest trend parallel to stratigraphy and the system is open to the west and south. The system represents the southern strike extension of the Safari Shear Zone. Exploratory reconnaissance drilling targeted the southern extension of the Deep South amphibolite facies stratigraphic package, but only weak anomalous results were returned (WAMEX Report a66787).

4.5.6 Great Gold Mines (2003–2006)

Great Gold Mines commenced exploration of ground immediately east of, and north of, the Edjudina Project area in early 2003.

Drilling of RAB holes was undertaken in 2003 to 2004 of an area north of Edjudina but along the same structures that control the Deep South open cut mine and extend in to the Edjudina Project area. The drilling targeted potential mineralisation associated with the controlling structure. The results returned only weakly gold anomalous values. Where present, mineralisation was of fine disseminated pyrite (2–5 per cent), trace arsenopyrite and pyrrhotite and minor quartz veining within and adjacent to the sediment/ mafic contact. While the overall results were disappointing, a highly anomalous intersection was encountered. Although this mineralisation lies north of the Edjudina Project, it illustrates the mineralisation potential of the system. Mineralisation was within fine-grained biotite altered metabasalt with minor quartz veining (WAMEX Report a69145).

Further exploration from 2000 to 2004 on an area to the east of the Edjudina Project included regional and regolith mapping, geophysical and Landsat interpretations and soil sampling (186 samples). The results from both the Edjudina and Phantom Well prospects identified minor gold anomalism associated with an ultramafic-felsic contact zone located close to the contact between greenstone and

granitoid rocks (WAMEX Report a69280). However, the results were generally deemed disappointing and the areas were subsequently relinquished.

Great Gold Mines conducted soil sampling in 2004–2005 in an area immediately east of the Edjudina Project. This included two short soil traverses across areas of mainly colluvium and shallow alluvium. The north traverse sampled across a soil-covered contact between mafic and ultramafic lithologies, which are in contact with a large regional granitoid. The southern traverse was sampled in thin colluvial soils in an area with a granite substrate with only weak gold anomalism returned (WAMEX Report a72904).

Work from 2005 to 2006 was limited to review of previous exploration data only (WAMEX Report a74023).

4.5.7 St Barbara Mines (2004–2005)

From 2004 to 2005, St Barbara Mines begin exploring over a large area which encompassed the current Edjudina Project area. Exploration included geological modelling to evaluate the potential for high-grade mineralisation at depth, resulting in the drilling of 71 RAB holes for 1,322 m and 22 aircore holes for 1,110 m. Only three of the holes returned low gold anomalies (WAMEX Report a71178), and while they lie at some distance from the Edjudina Project, they share a similar mineralisation style of known deposits in the area, e.g. Deep South, Safari Bore etc.

4.5.8 Hawthorn Resources (2007–2014)

Hawthorn Resources began exploring the Triumph Project, which intersects the southern part of the Edjudina Project (E30/1992). The geological interpretation is *“of a west to east sequence of shales, cherty felsic meta-sediments, mafic and ultramafic rocks, and diorite to granodiorite dykes that abut against a strongly foliated monzogranite. The contact between the highly foliated silicified quartzofeldspathic sediments and the fine grained basalt is strongly deformed and interpreted to be associated with the Safari Fault system”* (WAMEX Report a81268). Exploration included soil sampling from the “B” soil horizon (where it was usually observed at a depth of 15–20 cm). A total of 225 samples were collected. Several low-level gold anomalies were identified, although the validity of the results was in doubt due to the relatively thick alluvium and lake sediment material.

In 2008 and 2009, exploration comprised both geological reconnaissance and aeromagnetic survey acquisition and interpretation. The area surveyed lies immediately east of the Edjudina Project. Based on the interpretations, the potential for *“relatively narrow high grade Au mineralisation remains, similar to that occurring at Deep South to the north”* (WAMEX Report a85772). However, it was concluded that very detailed aeromagnetic interpretation would be required to identify targets of similar style.

In late 2009 to late 2010, Hawthorn Resources completed more geological reconnaissance, aerial photography and aeromagnetic survey and interpretation. In addition, Hawthorn also completed BLEG (bulk leach extractable gold) sampling (417 samples) and drilling of 46 RC holes (outside the Edjudina Project area). Although outside the Edjudina Project, drilling results highlighted several significant intersections.

The results from the BLEG sampling were generally weak (WAMEX Report a89563).

During the period 2010 to 2011, Hawthorn Resources tested the Deep South–Belize prospect, which is located along strike of Saracen’s Deep South Mine. RC drilling returned encouraging intercepts. A total of 365 BLEG samples was also acquired, along with interpretation of aeromagnetic and aerial photographic data. The combined results identified encouraging targets for follow-up exploration (WAMEX Report a93367).

Continued exploration was carried out up until surrender of the tenements in 2014. Gold mineralisation at Deep South and within Hawthorn's project area is described as being "*hosted by steep west-dipping, quartz-carbonate-pyrrhotite-magnetite veins within quartz metasediments and adjacent to lenticular ultramafic units*" (WAMEX Report a93367). The mineralised package shows spatial association with a series of dolerite dykes which are generally "*slightly oblique to the mineralised horizon*" (WAMEX Report a93367).

4.5.9 Adjacent exploration by Saracen Gold Mines (2005–present)

Saracen Gold Mines acquired the project from St Barbara Mines after the latter went in to administration. Between 2005 and 2006, Saracen conducted a review of the exploration database and acquired QuickBird imagery as well as land use data from the Department of Agriculture (WAMEX Report a73243).

Most of the area explored by Saracen lies outside the current area of the Edjudina Project, but the results have important ramifications for mineralisation style and prospectivity of the Edjudina Project.

Exploration in 2006–2007 included the compilation and analysis of geological, geophysical (aeromagnetics) and geochemical data (soil sampling) as well as geochemical modelling and re-evaluation of the Deep South deposit, including re-estimation of the Deep South Mineral Resources and Ore Reserves as well as a preliminary mining study for the deposit (WAMEX Report a76535).

Compilation and analysis of the geological, geophysical and geochemical data available for the project area with a view to identifying targets for follow-up geochemical sampling and/or drilling. Geochemical modelling of auger sampling obtained from the Sons of Gwalia Ltd database with a view to identifying gold anomalous areas and areas of inadequate geochemical sampling.

From November 2007 to April 2008, some auger drilling was carried out (WAMEX Report a79710). The drilling encountered several anomalous gold values which were yet to be drill tested. Substantially elevated gold values occurred to the south of the Deep South gold deposit. In addition, a number of isolated, elevated gold values were obtained (WAMEX Report a84475)

Further exploration from 2009 to 2010 included RC drilling at Safari Bore and Deep South, resource evaluation of the Tin Dog and Bull Dog gold deposits, and completion of the Safari Bore and Deep South Annual Environmental Report. The RC drilling encountered significant gold mineralisation in a number of holes. A re-evaluation of both the Safari Bore and Deep South gold deposits incorporating the recent drilling will be carried out in due course (WAMEX Report a87841).

From 2010, much of Saracen's exploration efforts have been focused on the Deep South and Safari Bore deposits.

4.5.10 Drilling and geochemical sampling

According to the GSWA's database, a total of 167 holes have been drilled within the Edjudina Project. These include 43 aircore holes and 118 RAB holes. An additional 794 geochemical surface samples have been obtained from the Edjudina Project, with the majority taken by Hawthorn Resources.

4.5.11 Summary

Modern exploration within the Edjudina Project is limited. However, based on past historical exploration, it is clear that the area is prospective for structurally controlled lode gold. The cover sequence has previously hampered exploration activities from detecting gold in soils, but a number of drill holes have successfully intercepted anomalous gold mineralisation (Figure 4-8 and related east-west cross sections in Figure 4-9 and Figure 4-10). Details of all historical drill hole intercepts of greater than 0.1 g/t Au located on the Edjudina Project are set out in the Appendix A (JORC Code

Table 1). In particular, where identified, the gold mineralisation is associated with mafic, ultramafic and metamorphic sequences following north–northwest shears, and possibly intersecting high-angled fault splays.

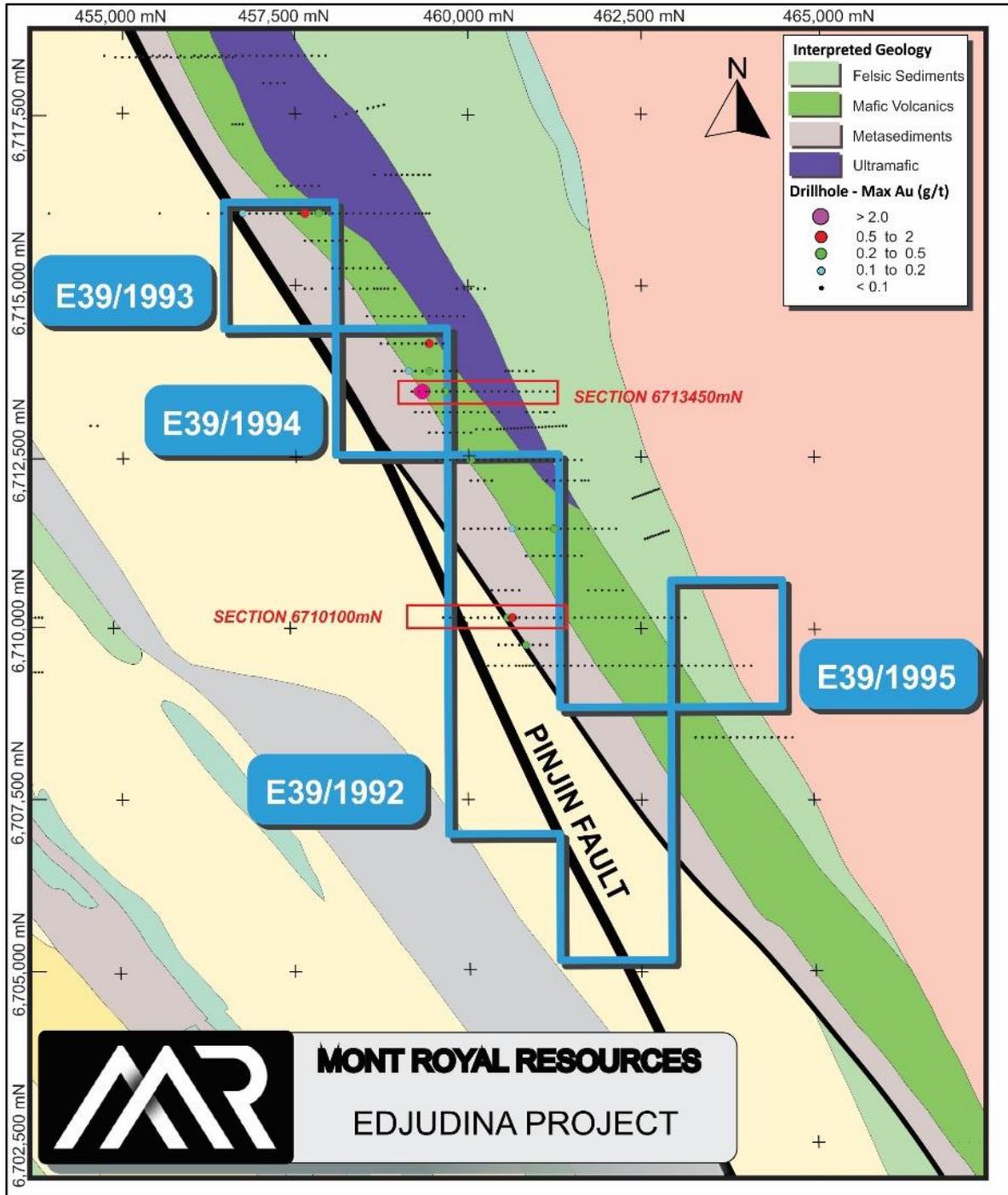


Figure 4-8: Summary of previous drilling

Source: Mont Royal.

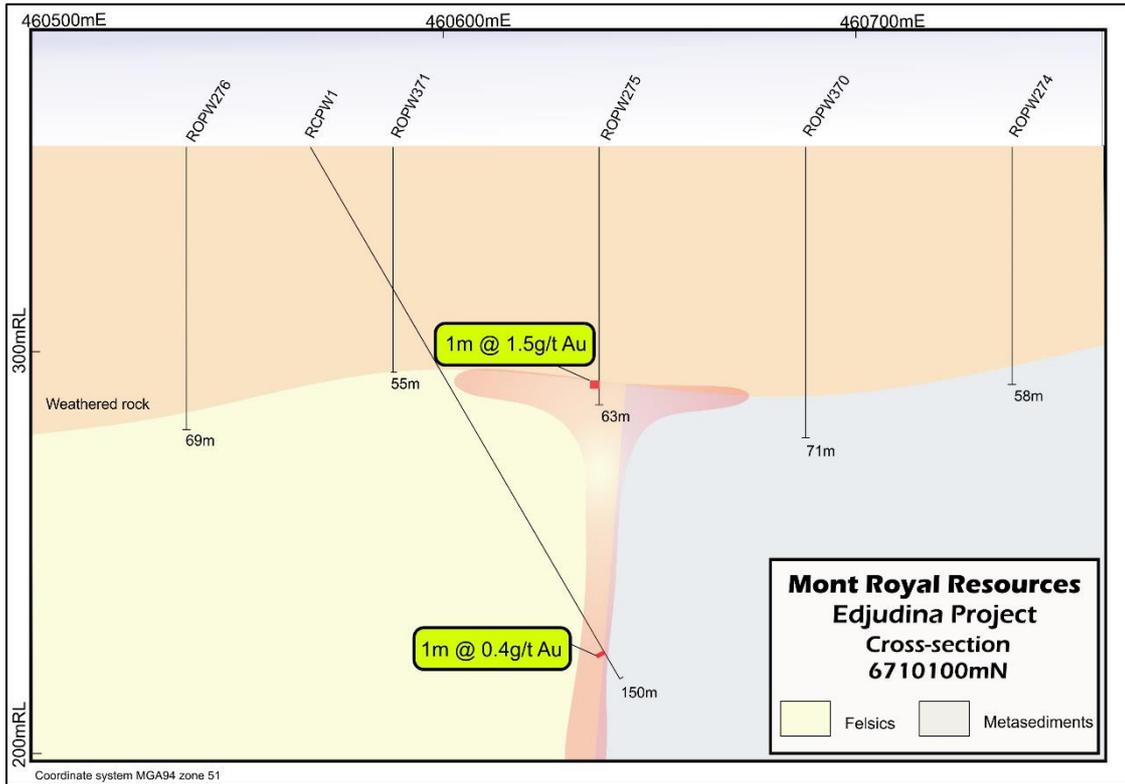


Figure 4-9: East-west cross section 6710100mN

Source: Mont Royal.

Note: Figure 4-8 shows location.

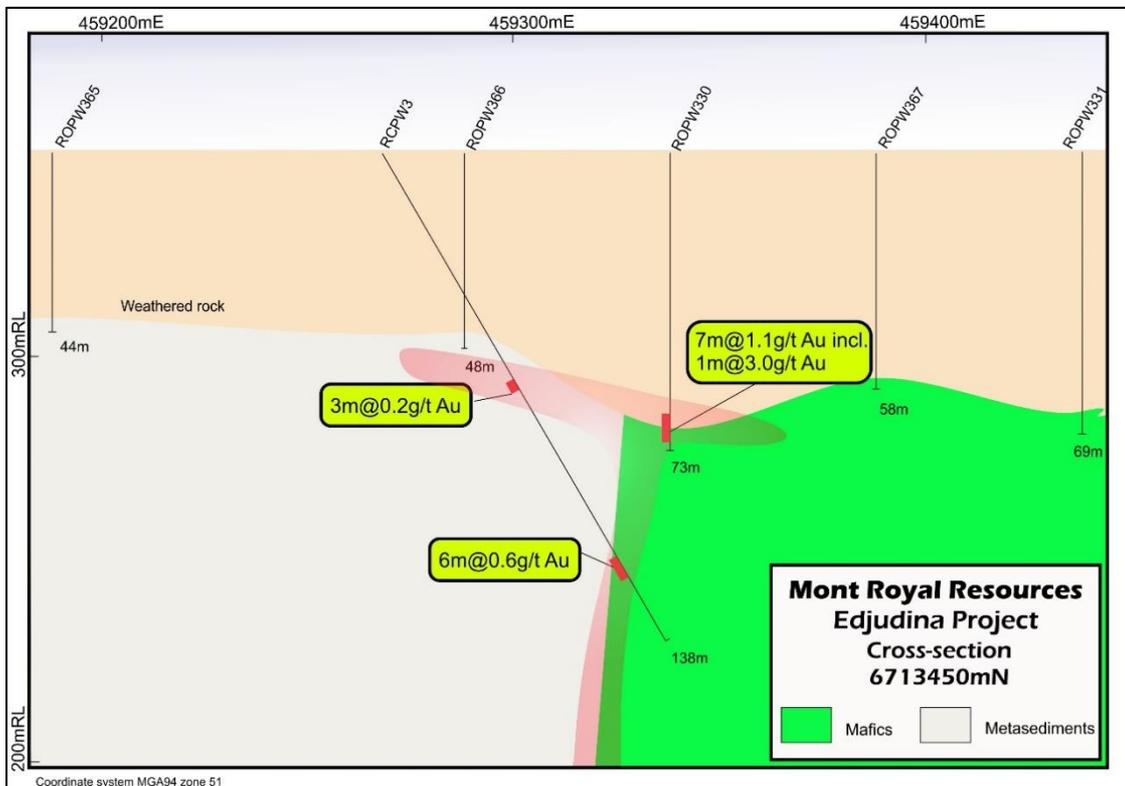


Figure 4-10: East-west cross section 6713450mN

Source: Mont Royal.

Note: Figure 4-8 shows location.

This style of mineralisation is analogous to the gold deposits found along strike from Edjudina at both Deep South and Safari Bore. Gold production from Deep South and Safari Bore is from mining of quartz veins and shears. At Deep South, mineralisation is contained within two steeply west dipping sub-parallel lodes known as Butler (west) and Scarlett (east). Additionally, a third mineralised zone lies below (to the east of) the southern part of the pit, and parallel to the two main lodes. The Butler and Scarlett lodes are separated by a narrow zone of ultramafic schist, high magnesian basalt and narrow diorite/ granodiorite intrusions. The hanging wall and footwall are mainly fine- to medium-grained micaceous metasedimentary rocks. The westernmost lode – Butler – is associated with banded iron formation and chert. The mineralised zone is up to 5 m wide and the broader Scarlett lode is characterised by abundant calcite, with pyrrhotite, magnetite and smaller amounts of amphibole and pyrite (WAMEX Report a76535).

The Pinjin Fault within the Edjudina Project has some similarities where it converges and intersects with another fault to the north. The fault lodes enclose sequences of volcanogenic sedimentary rocks derived from felsic volcanic rocks, local felsic lava and volcanoclastic sandstone. Immediately to the east, the intersecting fault is in contact with spinifex-textured basalts, and magnetic survey data shows there may be a potential fault shear in contact with ultramafic sequences, i.e. described by the Geological Survey of Western Australia as “*peridotite; metamorphosed; with relict olivine cumulate texture; minor metapyroxenite; commonly serpentinitised and locally rodingitised or silicified*”.

4.6 Validation and observation completed by SRK

Given the lack of modern exploration at the Edjudina Project, SRK has relied on a complete review of WAMEX reports, information provided by Mont Royal and published data including geology maps and reports in the preparation of this IGR.

SRK's interpretation from exiting data generally confirms the previously reported geological interpretation.

On this basis, SRK considers further exploration is warranted in accordance with the proposed exploration program detailed in Section 4.7.

4.7 Proposed exploration

Mont Royal plans to conduct geophysical surveys (both sub-audio magnetics (SAM) and ground magnetics) to improve definition of structural trends inclusive of geological contacts, first and second order structures and the Pinjin Fault. Open file magnetics show insignificant variation in magnetic response east to west across lithology changes; however, closer-spaced lines and more modern technology will likely produce significantly better results.

Based on the results of the geophysical surveys and interpretation, an initial first-pass drilling program will be completed on refined areas. This will be followed by a second phase of drill activities closing the drill spacing from 800 × 80 m to 400 × 40 m. Targeted RC holes will also test beneath historical aircore anomalies where required (Figure 4-11). Historical aircore anomalies in excess of 1 km in strike length have been defined across multiple drill lines; however, these have only been tested by single RC holes.

Mont Royal's longer-term strategy would be based on the success of the geophysical surveys and initial drilling in the first year. Based on favourable results, exploration drilling with tighter drill spacing will be implemented in the second year to determine potential Mineral Resource estimates.

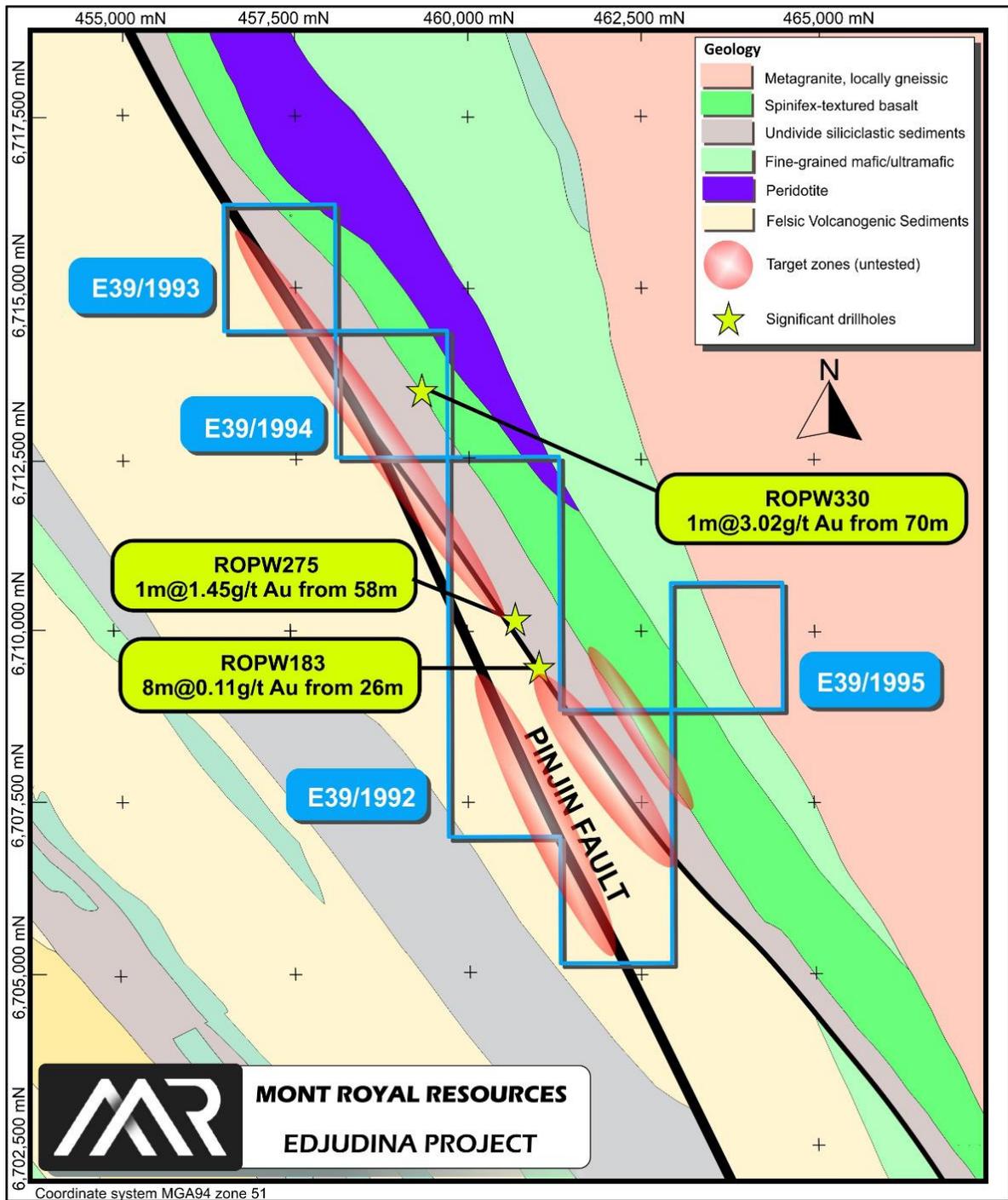


Figure 4-11: Target zones for gold mineralisation

5 The Yule River Project

5.1 Project description

Mont Royal has an option to acquire the Yule River Project which is currently 100 per cent owned by Centrepeak. The Project is located about 40 km southwest of the regional town of Port Hedland in Western Australia (Figure 5-1). Port Hedland has a population of approximately 14,000 and has good facilities, including a port, an air strip, sealed highways, shopping centre and railway access (Figure 5-2).

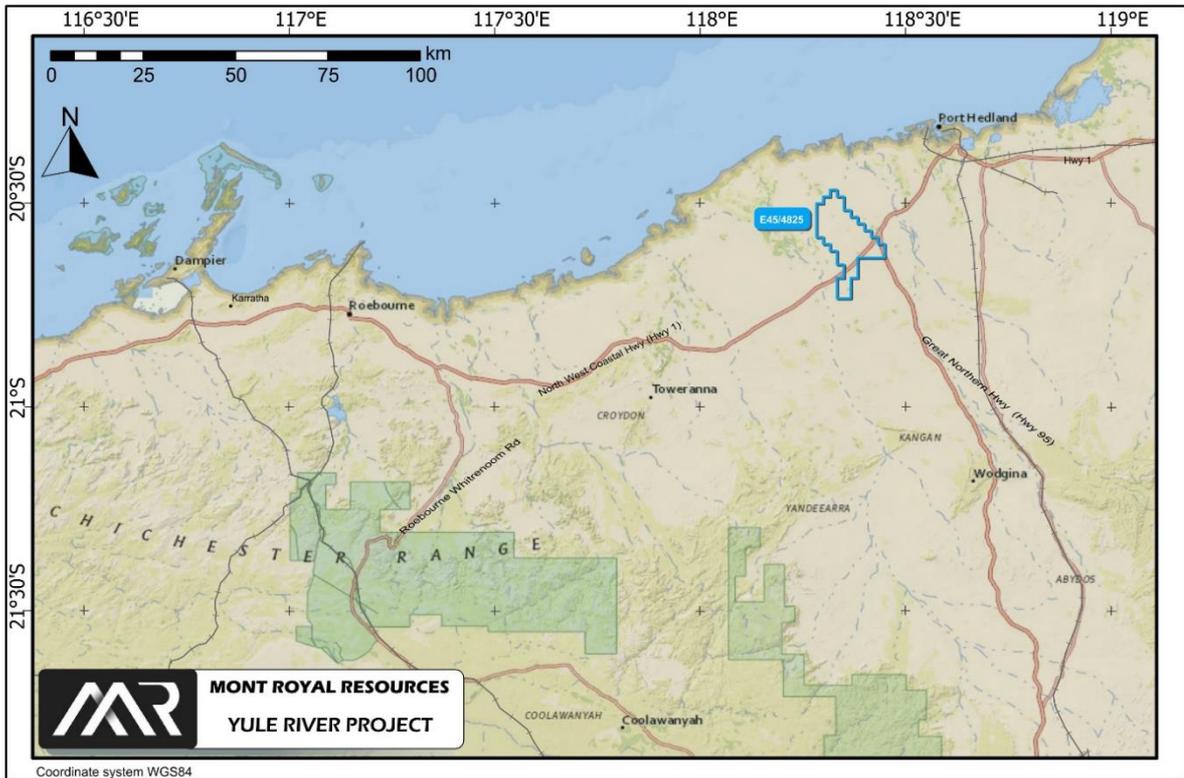


Figure 5-1: Regional location of the Yule River Project

Access to the Yule River Project is via the Great Northern Highway, which crosses the southeastern tenement boundary where it connects with the North West Coastal Highway.

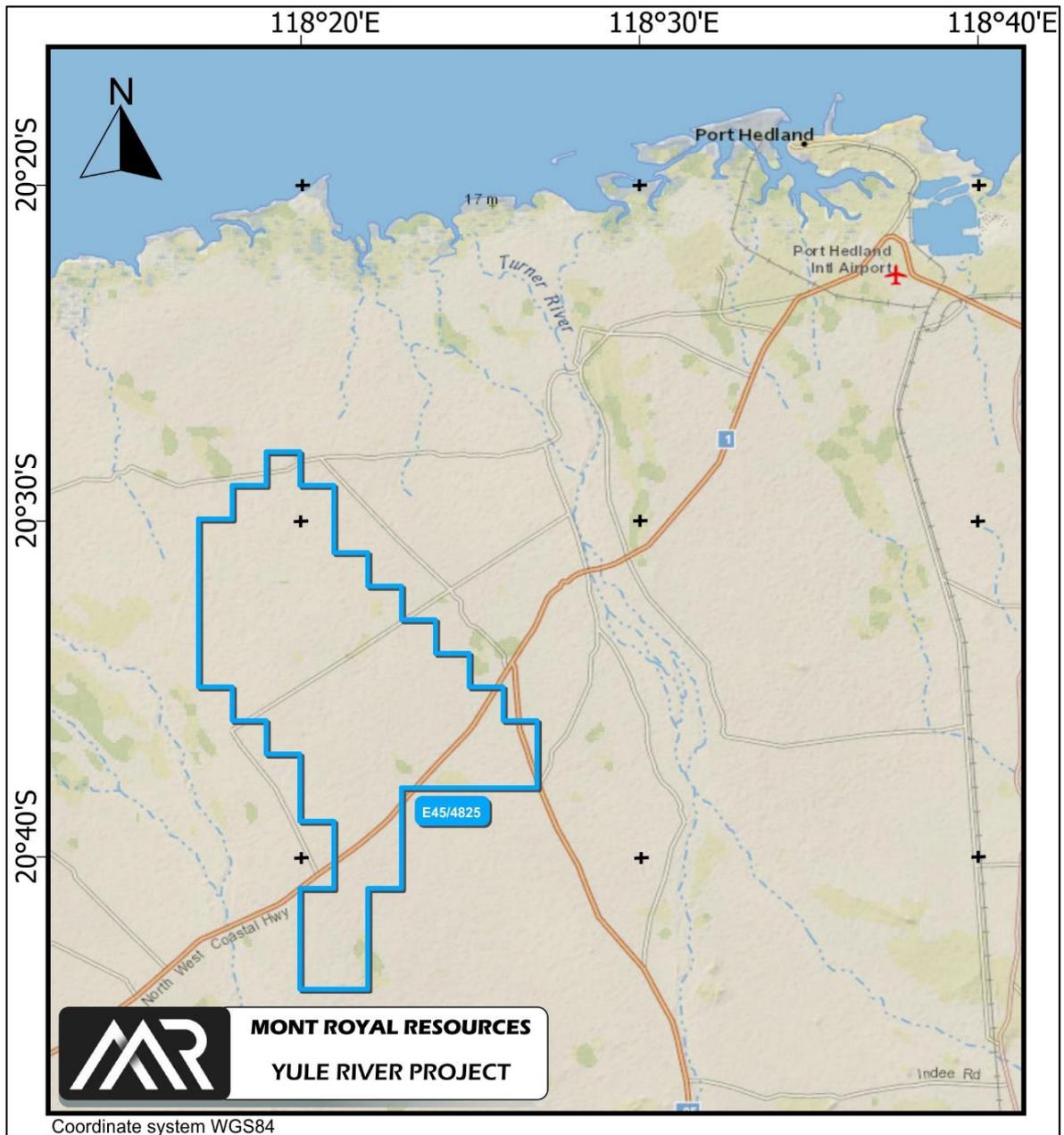


Figure 5-2: Local access to Yule River Project

5.2 Topography

The Yule River Project is in the northwestern part of the Pilbara region, with the Australian coastline about 15 km to the north. The area is of low elevation, with a maximum elevation of around 90 m asl in the south. The land forms a low relief coastal plain, with rivers draining and meandering northwards from the Chichester Ranges (Figure 5-3).

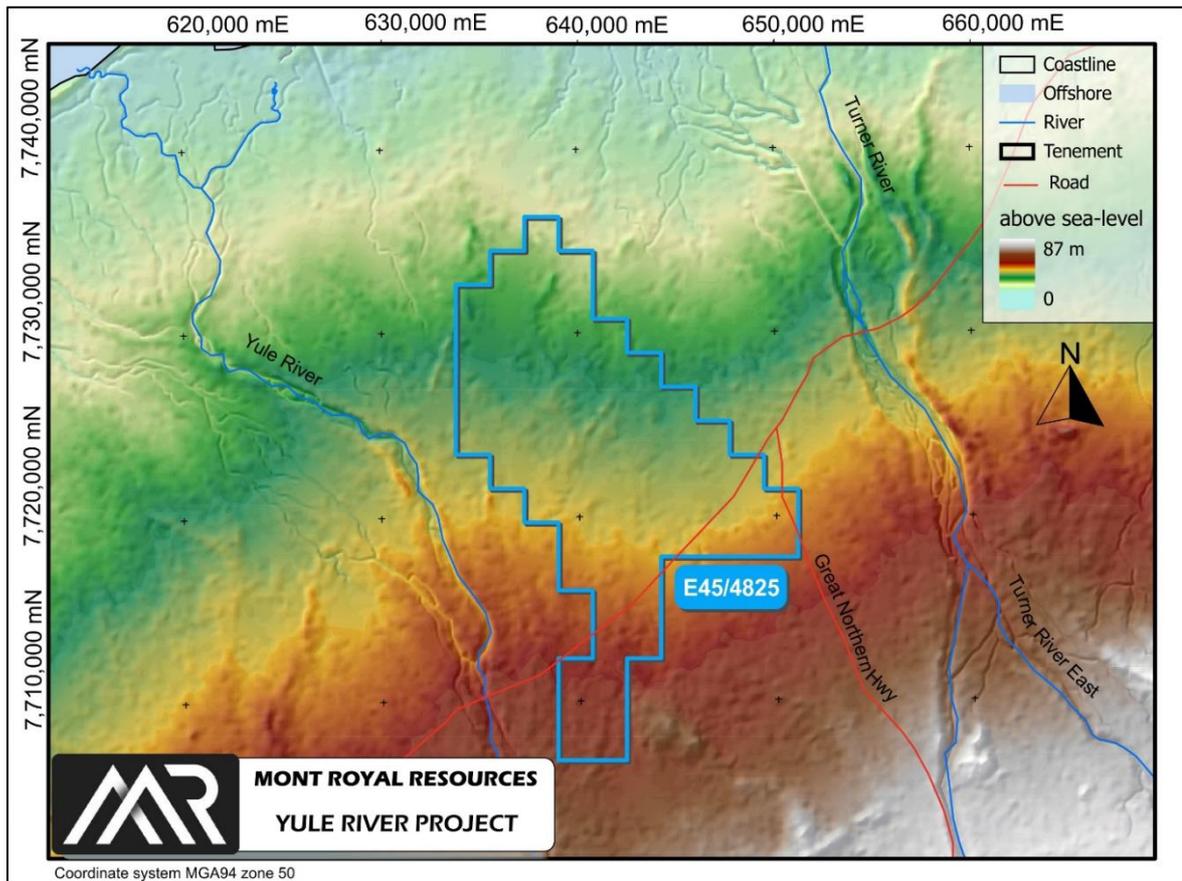


Figure 5-3: Topography of the Yule River Project

Source: Shuttle Radar Topography Mission (SRTM), USGS (2006).

5.3 Geology and mineralisation

5.3.1 Regional geology

The Yule River Project covers a north trending arm of the Archaean Mallina Basin (3,015 Ma) bounded on the western side by the Sisters Supersuite, otherwise known as the Portree Granite Complex (2,946 Ma), and to the east by the Carlindi Batholith. Major rock terrains underlying the Yule River Project include sequences belonging to the Mallina Basin, which have been intruded by granitoids of the Split Rock Supersuite and the Sisters Supersuite. The Split Rock Supersuite unit is known as the Myanna Leucogranite and comprises biotite-muscovite monzogranite; locally with quartz and K-feldspar phenocrysts and is massive to weakly foliated.

The terranes are generally poorly exposed in the Project, which is almost completely overlain by recent sediments of alluvium and colluvium deposited by the Yule River system (Figure 5-4 and WAMEX Report a92898). This may have implications for exploration, where reliance on geophysics and drilling will be necessary for the discovery and assessment of continuity of gold mineralisation under cover.

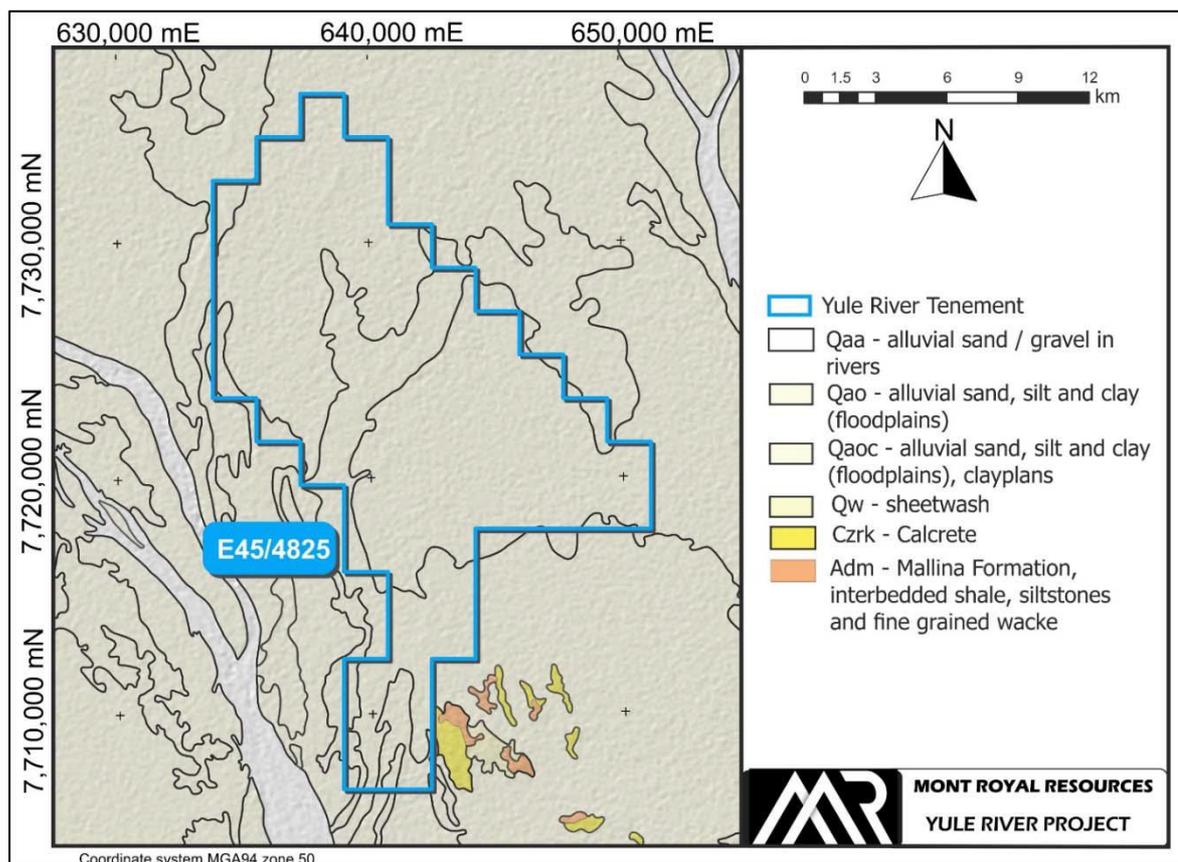


Figure 5-4: Yule River Project cover sequence

5.4 Previous exploration

Exploration within and surrounding the Yule River Project area began in the early 1970s. Since this time, the Project and adjacent vicinity has been periodically explored for gold by several companies including, Australian Inland Exploration (AIE), Esso Exploration (Esso), Texasgulf, Western Mining Corporation (WMC), Normandy Gold Exploration Pty Ltd (Normandy), Greenstone Resources NL (Greenstone) Pilbara Mines NL (Pilbara Mines), CRAE, Resolute Ltd (Resolute) and JV consortium comprising (Lach Drummond Resources, Troy Resources, Resources and Investment Ltd, Brumby Resources). A summary of some of the major exploration programs are presented here.

While SRK is able to present a description of the work undertaken by previous explorers, SRK is not reporting any past exploration results on the Yule River Project on the basis that it is not possible to undertake sufficient quality assurance checks on the available exploration data, and as a consequence, have insufficient confidence in the reliability of the results. Investors who become aware of historical exploration results are therefore cautioned not to rely on such exploration results.

5.4.1 Resolute (1996–2002)

Resolute began exploring to the south of the Yule River Project area, with some exploration programs overlapping with the current project area.

From 1996 to 1997, Resolute conducted geological reconnaissance and ground magnetic surveys. As part of this reconnaissance, 44 rock chip and 330 soil samples were collected, and drilling comprised 46 RAB holes for 1,192 m and 8 RC holes for 732 m (WAMEX Report a50907). In the following year, aeromagnetic survey data was acquired and interpreted in conjunction with Landsat imagery, geological mapping, soil and rock chip sampling, RAB, aircore, RC and diamond drilling, petrology, water analysis and metallurgical testwork. This exploration effort identified an 8 km long

shear-hosted zone of gold and arsenic mineralisation cross-cutting the Mallina Formation metasediments, within which three gold deposits – Camel 1, Camel 2 and Withnell – were identified. The deposits were subsequently tested by RC drilling to a depth of 100 m, which indicated the deposits are open along strike and at depth, with several high-grade shoots plunging west. Further regional exploration, including geological mapping, soil sampling and some exploratory drilling, demonstrated that the Camel–Withnell zone is part of a much larger mineralised corridor (WAMEX Report a55647).

Geological mapping at 1:5,000 scale, the collection of 314 rock chip and 3,783 soil samples, petrography, radiometric dating, digging of one costean, ground magnetic and induced polarisation (IP) surveys, water analysis (1 sample), RAB drilling (208 holes for 3,628 m), aircore drilling (626 holes for 20,372 m), and RC drilling (76 holes for 8,617 m) were completed between 1998 and 1999.

Field mapping of an area to the southeast of the current Yule River Project area confirmed the presence of extensive alluvial sheetwash sediments, with bedrock being rocks of the Mallina Formation and Constantine Sandstone. Interpretation of geophysical and Landsat data support the interpretation of the prospect being along strike from the Camel 1 and Camel 2 gold deposits. Gold mineralisation at these deposits is associated with the north–south trending Mallina Shear (WAMEX Report a63726).

Resolute continued further exploration in an area immediately southwest of the Yule River Project area. Exploration included aerial photography, Landsat Thematic Mapper (TM), and aeromagnetic interpretation, geological mapping at 1:50,000 scale, aeromagnetic and airborne electromagnetic surveys, soil (7 samples), water (6 samples) and loam sampling (22 samples) and RAB drilling (1 hole for 12 m). Despite the Mallina Formation hosting significant gold mineralisation elsewhere, there did not appear to be any potential for mineralising structures within the prospect area (WAMEX Reports a64039, a64204).

While there were no significant gold mineralisation or anomalous geochemistry identified within the current Yule River Project area, the discoveries of a number of gold deposits associated with the Mallina Shear Zone indicates that the geology is favourable as a potential host for mineralisation and should be prioritised for targeting over the next two years.

5.4.2 Normandy Gold Exploration (2000–2001)

In 2000, Normandy explored an area that encompasses much of the western part of the Yule River Project, and a greater area extending toward the southwest. Exploration comprised geological mapping; aeromagnetic/ electromagnetic and ground IP surveys; soil/ rock chip sampling; diamond/ RC/ RAB drilling and petrographic studies. A number of mineralised intersections were returned from RAB drilling at the Geemas, Charity Well, Mallina and Honeymoon Well prospects. While SRK was unable to provide proper due diligence on the available data, these intersections are noted for demonstrating potential for follow up work as planned by Mont Royal.

RC and diamond drilling results from the Orange Rock and Becher prospects were generally low. Two diamond drill holes at Withnell but reportedly returned significant gold intersections, with both holes intersecting extensive quartz-carbonate veining in strongly deformed and sericitic alteration. This requires follow-up verification by Mont Royal.

5.4.3 Greenstone Resources (2001–2001)

Greenstone explored an area immediately south of the Yule River Project using diamond and RC drilling programs. They reported a number of mineralised intersections from its diamond and RC drilling programs. Greenstone postulate that elevated gold grades are associated with late-stage coarse and fine pyrite shear fabrics, whereas, lower gold grades are primarily associated with quartz

veins. SRK notes that while being unable to conduct checks on the quality and veracity of the data, it does demonstrate targets for follow-up verification by Mont Royal.

5.4.4 Red 5 Limited (2002–2003)

Red 5 continued exploration of the area to the southwest of the Yule River Project. Exploration comprised RAB, aircore (70 holes for 3,022 m) and RC drilling (17 holes for 2,413 m). The quantity and quality of the data was sufficient to support Mineral Resource estimation and metallurgical testwork (WAMEX Report a66783).

5.4.5 Lach Drummond Resources (2002–2003)

In 2002–2003, Lach Drummond acquired aeromagnetic and radiometric data over more than 60 per cent of the Yule River Project area. The radiometric data discriminated a 10 km shear interpreted to be part of the mineralised Mallina Shear Zone (WAMEX Report a67602).

5.4.6 De Grey Mining (2003)

In 2003, De Grey Mining Limited defined the Wingina Well gold deposits located 30 km from the Yule River Project within the Archaean Tappa Tappa greenstone belt on the southeastern edge of the Mallina Basin in 2003. It currently has a defined Mineral Resource of 288,000 oz Au grading at 1.6 g/t Au (De Grey ASX Release, 31/10/2016). The deposits are hosted by a chert horizon (Cleverville Formation?) within the shales of the Mallina Basin and talc-carbonate schists that are probably part of the older mafic-ultramafic sequence (WAMEX Report a66937).

5.4.7 Troy Resources (2003–2005)

The areas explored by Troy Resources encompass most of the Yule River Project area. Troy conducted a structural/ lithological compilation of low-level airborne magnetic radiometric and digital terrain surveys for targeting gold mineralisation. Troy's reinterpretation confirmed a previous interpretation of a major north striking shear; the Yule River Shear Zone running through the tenement (previously E47/1131). It also included "*potential dilation zones along the Yule River Shear, favourable rock types, contacts and intersection with faults-shears and potential alteration zones associated with late-stage intrusive rocks*" (WAMEX Report a69354). Several geophysical targets were selected to test for large Archaean lode/ vein gold systems (WAMEX Report a69759).

Exploration continued in 2004 and 2005 and included aircore drilling and an interpretation of regional geophysical survey data. Six broad-spaced drill traverses (1.4–1.7 km apart) tested a 15 km section of the Yule River Shear Zone. The results from drilling highlighted the presence of a >9 km zone of anomalous gold in bedrock which also associated with elevated copper, arsenic and lead (WAMEX Report a71882).

Troy completed a broad-spaced 54-hole aircore drilling program (2,411 m) was completed at the Yule River Project in January 2005. Six drill traverses (1.7–4.8 km apart) tested a 15 km section of the north trending Yule River Shear Zone. One traverse tested a radiometric anomaly as a possible strandline mineral sands deposit. All drill holes were vertical and drilled either 100 m or 200 m apart along the traverses (Figure 5-5).

The bedrock geology generally consisted of strongly sheared pelites, siltstones and fine-grained greywacke typical of the upper part of the Mallina sequence.

Rock resembling granite was also intersected in hole YRA036 and hole YRA037; however, it was strongly sheared making positive identification difficult. The next hole on the traverse, YRA035, intersected a quartz-iron tourmaline vein; however, was not anomalous in gold. Elsewhere in the

Mallina Basin these veins are often associated with gold mineralisation and occur within mineralised shear zones such as the Mallina Shear Zone.

Troy describes shearing as varying from moderate to mylonitic. The occasional piece of core showed a vertical to steeply dipping fabric.

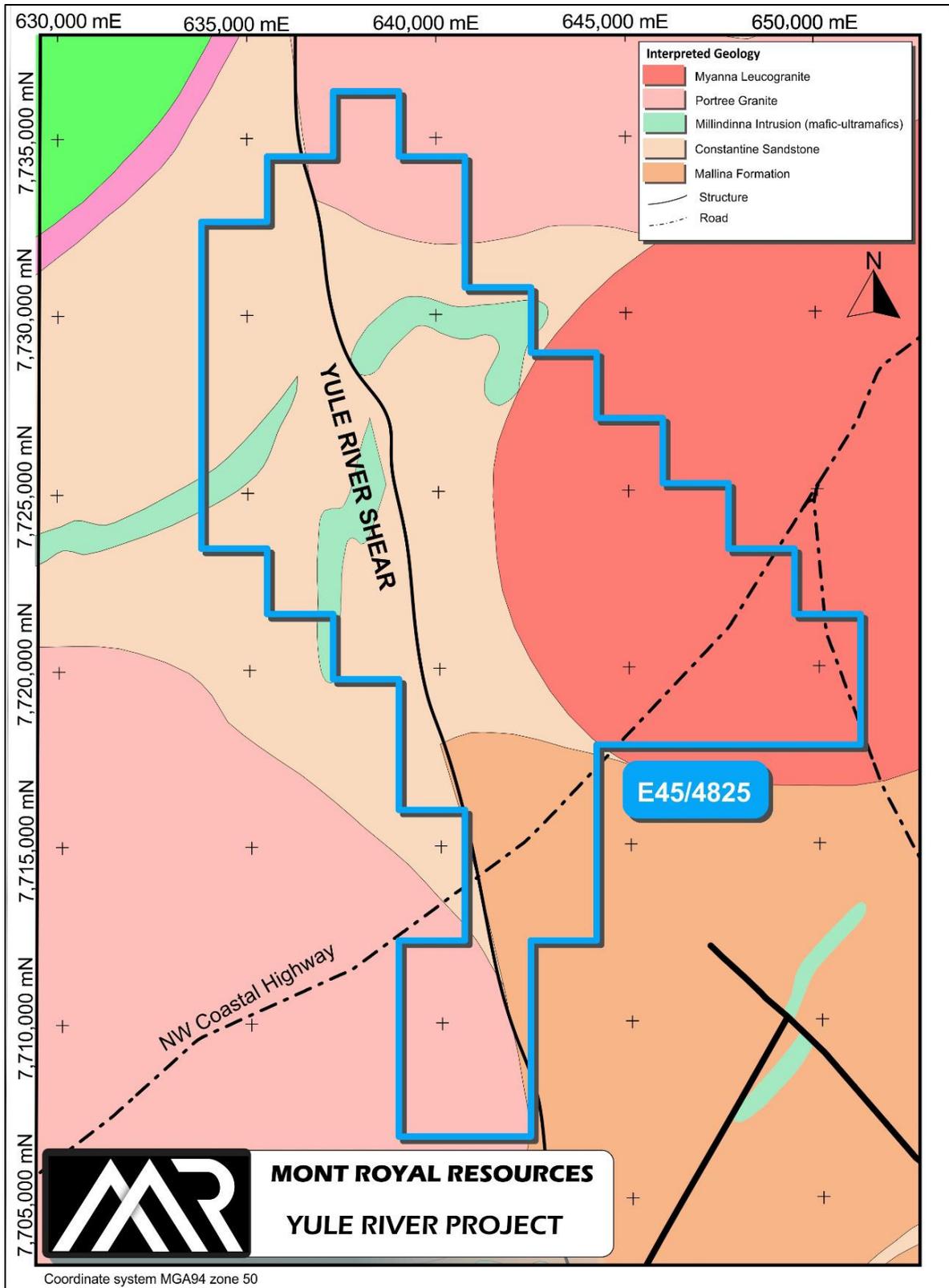


Figure 5-5: Regional geology of Yule River Project

Where the Yule River Fault shows subtle strike swing near the Millindinna Intrusion in the northern part of the Yule River Project, an igneous mafic body which forms part of the Sisters Supersuite. It is possible that the location is due to two main factors – a change in lithology (chemistry between the Millindinna mafic intrusion (i.e. gabbro, pyroxenite and peridotite; metamorphosed) and the surrounding Constantine Sandstone (i.e. sandstone and wacke, locally arkosic; locally conglomerate; includes quartzite; metamorphosed) which is assigned to the Archaean aged Croydon Group, and a structural mechanism. Where the strike of the Yule River Fault swings towards a direction that is more favourable to extension/ dilation, small pull-apart may be responsible for the ponding of fluids and deposition of gold mineralisation.

5.4.8 Resource & Investment (2002–2006)

Resource & Investment explored a large part of the Yule River Project area between the years 2002 and 2006. Exploration comprised of airborne geophysical surveys which included magnetics, radiometric and digital terrain modelling, followed up by aircore drilling. The geophysical data highlighted several anomalies, although one aircore hole only intersected low gold values (WAMEX Reports a73910, 73911).

5.4.9 Brumby Resources (2005–2011)

Brumby Resources spent six years exploring for tin-tantalum in an area that encompasses the western part of the Yule River Project, and a few kilometres beyond the western boundary.

During the early years of exploration, between 2005 and 2008, Brumby Resources conducted an airborne geophysical survey and a heliborne VTEM (versatile time domain electromagnetic) survey. The aeromagnetic survey data is presented on Figure 5-6. The airborne survey (magnetic, radiometric, digital elevation model) generated 36 aeromagnetic targets, while the VTEM survey covered an area to the north and outside the Yule River Project (WAMEX Report a76979). The objective of the exploration program was to determine any potential volcanogenic massive sulphide (VMS) and nickel-copper (Ni-Cu) sulphide deposits (WAMEX Report a81128). [Interpretation of geophysical survey data outlined no elevated values for the explored commodities. However, modelling of the aeromagnetic data indicated an east–west structure beneath approximately 50 m of coastal sand cover. It attains a maximum width of 600 m and dips to the south at approximately 75° (WAMEX Reports a85090, a85406). While the results did not find any potential VMS and Ni-Cu sulphide deposits, six probable gold mineralisation targets were identified (WAMEX Reports a85406, a85864, a87484, a87649, a90182, a92095).

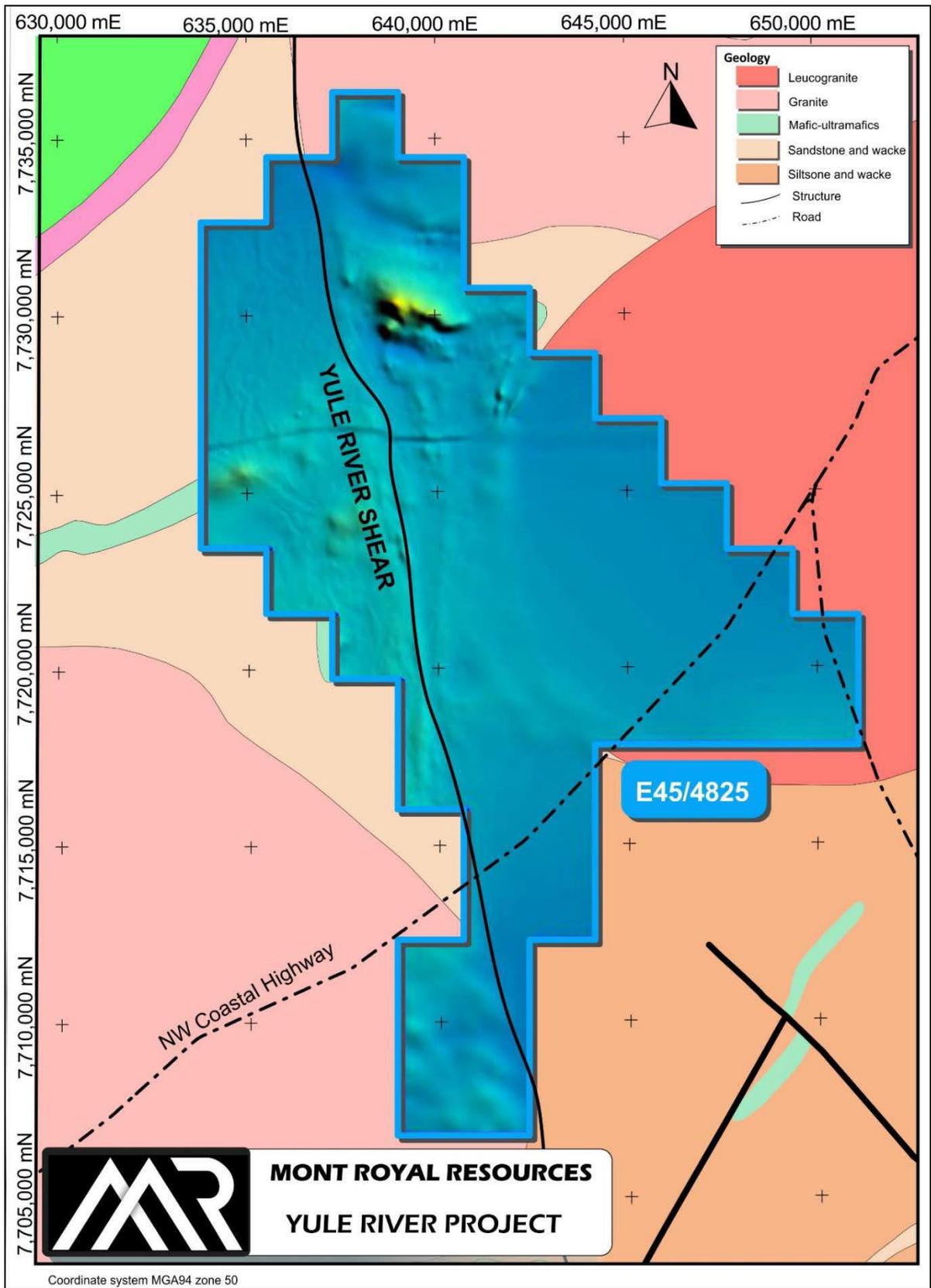


Figure 5-6: Total magnetic intensity

Source: Centrepeak.

5.4.10 Regional gold mineralisation

In addition to the Camel–Withnell deposit, there are numerous smaller deposits and prospects in the Yule River region, which include a number of small stibnite (Sb)-Au deposits at Mallina and Peawah.

The gold deposits have a variable alteration assemblage and are divided into three distinctive styles:

- Lode gold associated sericite-carbonate-pyrite-arsenopyrite alteration assemblages, e.g. Withnell
- Lode gold associated with pyrophyllite bearing assemblages, e.g. Camel 1
- Au-Sb lode deposits, e.g. Mallina (Huston et al., 2001).

Other sulphides present include tetrahedrite, stibnite, galena and chalcopyrite. Bullion Minerals (2004) discovered similar style gold mineralisation in its Yandearra project south of the Camel–Withnell deposits associated with a northeast trending shear interpreted to splay from the Mallina Shear Zone. This may be the southern extension of the Yule River Shear that strikes north through E45/4539.

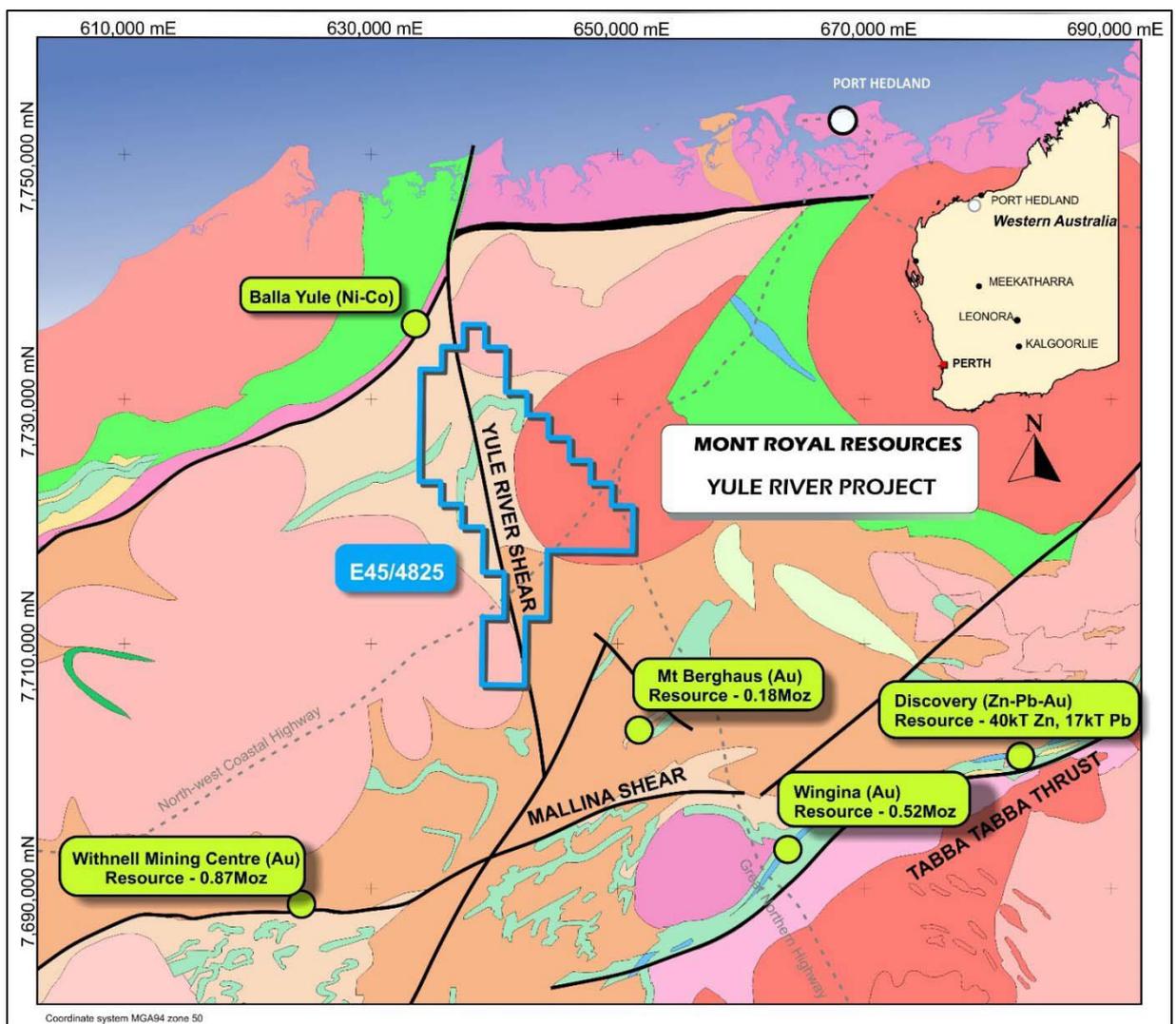


Figure 5-7: Known gold deposits

Source: De Grey Mining Ltd, (2018).

5.5 Validation and observation completed by SRK

Given the lack of modern exploration at the Yule River Project, in the preparation of this IGR, SRK has relied on a complete review of WAMEX reports, information provided by the Company and published data including geology maps and reports. However, SRK was unable to undertake sufficient quality assurance checks, and as a consequence, it has insufficient confidence in the reliability of the exploration data available on the Yule River Project to allow the reporting of any exploration results under the JORC Code (2012) guidelines.

Investors who become aware of historical exploration results on the Yule River Project are therefore cautioned not to rely on such exploration results. SRK's interpretation from existing data generally confirms the previously reported geological interpretation. On this basis, SRK considers further exploration is warranted in accordance with the proposed exploration program noted below.

5.6 Exploration potential and mineralisation targeting

The main exploration target within the Yule River Project is the Yule River Fault or Shear Zone. In particular, zones of flexure and dilation have the potential to be areas of favourable deposition of gold (Figure 5-8). Previous aeromagnetic survey and interpretation conducted by Brumby Resources has identified the southwestern part of the Yule River Project to be prospective for tantalum and lithium mineralisation associated within the Portree Granite Complex. A high resolution aeromagnetic survey was completed in 2007 that identified anomalies described as *"locally enhanced magnetism within granitic complex. Alteration or distinctly magnetic intrusive phase"* (WAMEX Report a76979).

No follow-up investigation has been completed on this anomaly with proposed first-pass drilling to be completed to test the source of the magnetic anomaly together with the investigation into the presence of any pegmatites having the potential to host lithium mineralisation (Figure 5-8).

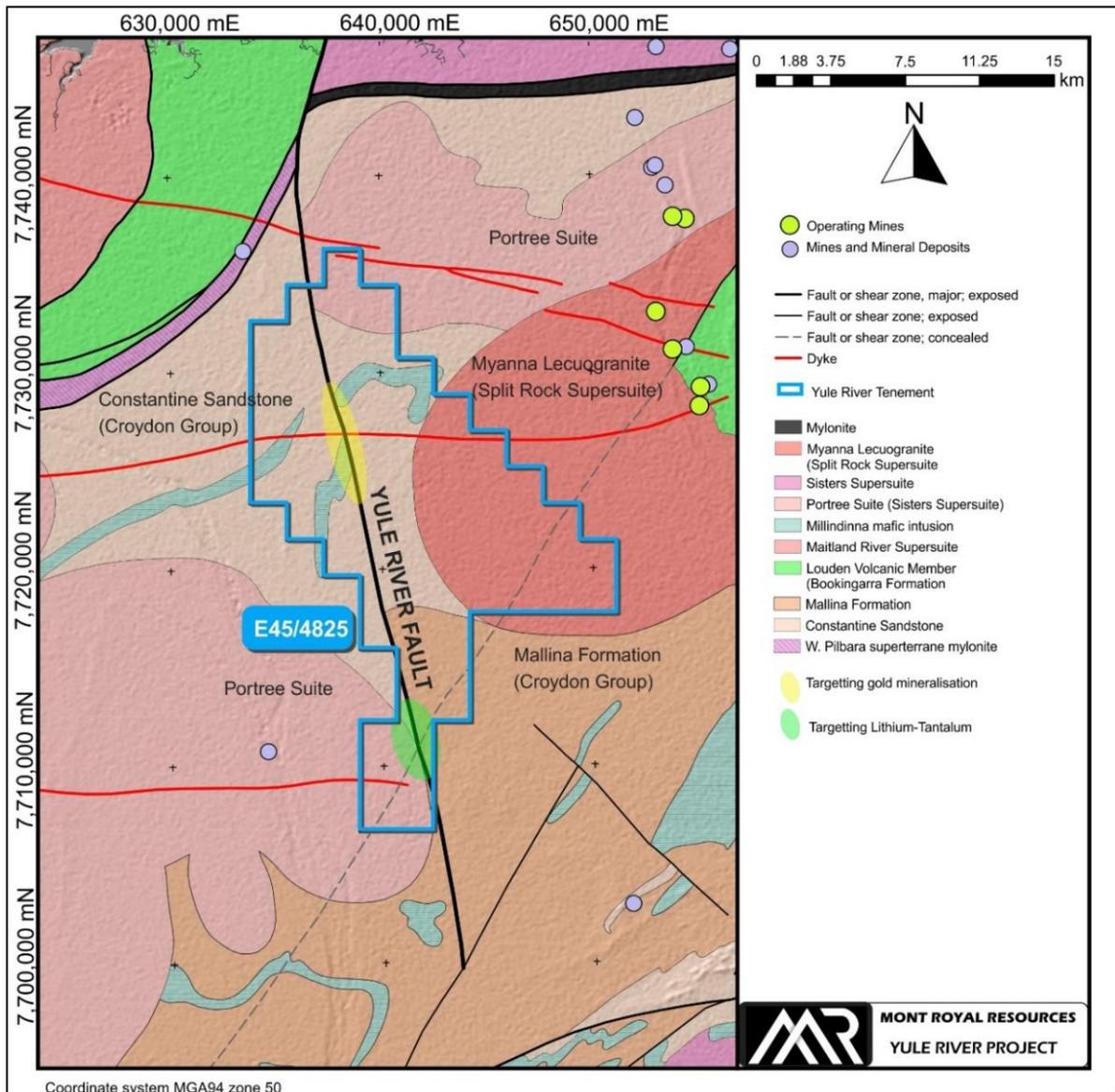


Figure 5-8: Target zones for gold mineralisation and lithium-tantalum pegmatite style

5.7 Proposed exploration

Mont Royal holds a conditional Option it can exercise to purchase the Yule River Project. Should the option be exercised, Mont Royal plans to undertake a full data review and compilation of historical information and then conduct geophysical surveys (both sub-audio magnetics (SAM) and ground magnetics where appropriate). Based on the results of the geophysical surveys and interpretation, geochemical sampling will be undertaken to allow drill planning on target zones.

6 Opportunities and Risks

6.1 Opportunities

Western Australia is a well-endowed province for gold mineralisation. As a result, there is a well-established infrastructure including ports at Port Hedland, Geraldton and Esperance, as well as numerous mining centres for skilled labour supply.

The Edjudina Project and immediate surrounds has historically shown evidence for gold mineralisation and that exploration prospects of obtaining significant and economic mineralisation is high. The application of new methods and higher geophysical survey resolution may prove very valuable for detecting potential gold deposits under the cover sequence, particularly given about 12.5 km of strike along the Pinjin Fault, as well as some 7.5 km of lithological contact target zones are hitherto untested. However, well-known gold deposits exist in similar structural and lithological settings where cover is thinner, and the deposits have more easily been discovered. In SRK's opinion, there is a good opportunity for Mont Royal to increase its portfolio by taking up the Yule River Project option which is considered prospective for both gold mineralisation and lithium-tantalum pegmatite.

6.2 Risks

The Edjudina Project and Yule River Project option should be considered as grassroots exploration areas. Consequently, the projects have a high associated risk due to limited exploration having been conducted.

Much of the existing data is based on historical records, primarily sourced from WAMEX reports. While the review has been thorough, it is possible under certain circumstances that not all reports were reviewed. In some instances, WAMEX references could not be validated by the data provided, particularly for older exploration programs. Also, some recent work within the past five years is retained as confidential by the Department of Mines and Petroleum (DMP). Therefore, it is possible that this may have a material impact on results and hence future exploration decisions.

Exploration data is very limited and much of this review is based on historic records with scant quality assurance and quality control (QA/QC) documentation, or none at all. The projects are overlain by a cover sequence of alluvium, colluvium and evaporites, which will require modern exploration techniques. The Company may not exercise its option to purchase the Yule River Project. This would leave Mont Royal with an undiversified portfolio.

7 Work Program and Exploration Budget

SRK has reviewed the proposed work program and exploration budget for the Edjudina Project and is of the opinion that the potential for gold mineralisation adequately support's the Company's conclusion that the Edjudina Project is worthy of further exploration expenditure for lode-style gold mineralisation.

7.1 Proposed exploration work program

The Company has proposed a staged program of exploration for the Edjudina Project over a 2-year period following its admission to the ASX. The program will focus on the compilation, verification and critical re-assessment of the existing data and will carry out local targeting through geophysical surveying and exploratory drilling. Should results from this initial campaign be favourable, it is likely further exploratory drilling will be undertaken.

7.2 SRK's opinion on plan and budget

SRK considers that the proposed 2-year exploration work program being advanced by Mont Royal is well conceived and provides adequate consideration of the main styles of gold mineralisation and maturity of the targets identified to date.

SRK has reviewed Mont Royal's exploration budget (Table 7-1). It is SRK's opinion that the amounts outlined are sufficient to meet the minimum expenditure obligations of the tenements with respect to the statutory commitments by the DMP.

The exploration budget is based on achieving a minimum subscription under the Offer of A\$4,500,000. However, should the maximum subscription of A\$5 million be achieved, Mont Royal Resources will increase its exploration spend by A\$0.25 million for exploration drilling at the Edjudina Project in the second year.

Table 7-1: Mont Royal's proposed 2-year exploration budget based on a minimum capital raising of A\$4,500,000

Project	Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Edjudina	Data compilation	15,000		15,000
	Geophysical survey	250,000		250,000
	Exploration drilling	525,000	890,000	1,415,000
	Assaying	210,000	360,000	570,000
Yule River (under option)	Data compilation	25,000		25,000
	Geophysical Survey		225,000	225,000
	Geochemical Sampling		250,000	250,000
Total		1,025,000	1,725,000	2, 750,000

Note: Totals rounded to the nearest thousand. Exploration drilling is inclusive of drilling, sampling, personnel and other on-costs.

In SRK's opinion, Mont Royal's proposed expenditure is realistic in the context of the amounts to be raised under the Initial Placement Offering (IPO). However, SRK cautions that the proposed exploration programs may change in Year 2 from that currently stated and will be dependent on the results from the Year 1 program.

8 Conclusions and Recommendations

Based on previous exploration and current mining in the surrounding regions, as well as the results of exploration activities conducted to date, and knowledge of structural gold, SRK considers there is reasonable expectation for the discovery of economic deposits of gold, within Mont Royal's Edjudina Project. The Company also has an option to acquire the Yule River Project which also has reasonable expectation of the discover of economic deposits of gold, base metals and lithium/ tantalum mineralisation. However, in preparing this report, SRK is mindful of the level of uncertainty and risk associated with Early Exploration stage projects.

As exploration progresses, and a project moves through to reserve status, there is greater confidence around the likely size and quality of the mineralisation and its potential to be extracted profitably. Estimated confidence of $\pm 60\%$ –100% or more are not uncommon for exploration areas and are within acceptable bounds given the level of uncertainty associated with early stage exploration assets. By applying narrower confidence ranges, one is implying a greater degree of certainty regarding these assets than may be the case in reality.

This level of uncertainty with advancing project stages is shown in Figure 8-1.

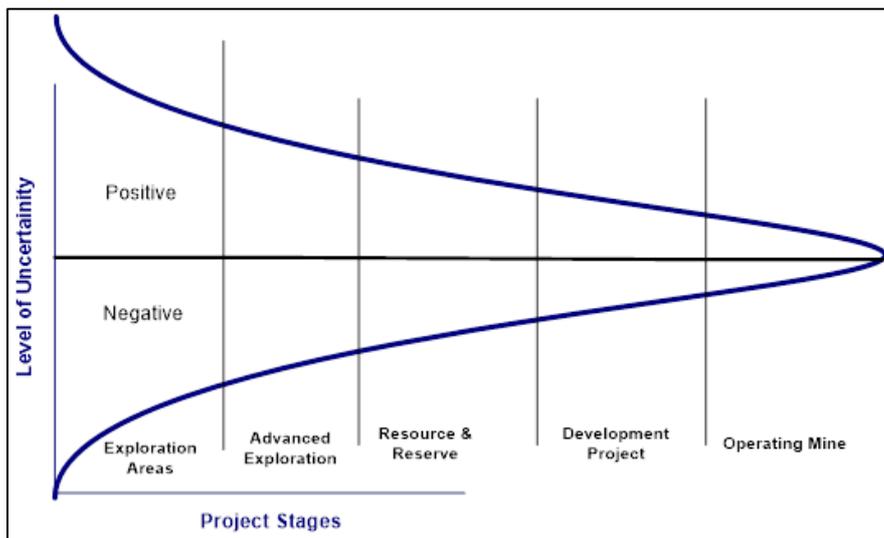


Figure 8-1: Uncertainty by advancing exploration stage

In SRK's opinion, further exploration is justified at the budgetary levels proposed by Mont Royal.

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Appendices

Appendix A: Table 1 – JORC Code 2012 Edition

JORC Code Table 1 for Exploration Results – Edjudina Project

The Company has completed a review of the historical results from all relevant previous exploration as part of an initial due diligence for both Edjudina and Yule River Projects. SRK was unable to undertake sufficient quality assurance checks on the exploration data available on the Yule River Project and as a consequence has insufficient confidence in the reliability of the exploration data to allow the reporting of any exploration results under the JORC Code (2012) guidelines.

Past reports and digital data (where available) have been added to the project database for the Edjudina Project. However, neither Centrepeak or Mont Royal has acquired any data itself. The exploration program and budgets are based on target identification compiled from open-file historical data from WAMEX reports and re-interpretation of existing open file or source file information.

The primary objective in compiling this data was to collect evidence that supported the underlying exploration rationale for the tenement acquisition. In this instance the presence of gold, in a permissive interpreted geological setting, is considered more important than the exact value of the assay for the individual results.

It is assumed that the results have been generated from exploration programs (that followed best industry practices at the time they were collected) and analysed at commercial laboratories that serviced the mineral exploration industry. However, for much of the work in the historical reports there is only limited information to address specific Table 1 criteria.

In the professional opinion of the Competent Person, Centrepeak and Mont Royal have performed proper due diligence and sufficiently verified the data to provide enough confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programs and generating targets for further investigation. The Competent Person has completed checks of the original reports and found Centrepeak's compilation to be a reasonable and accurate capture of the available information.

Given the large number of individual reports (referenced herein), the following Table 1 sections provide overview comments and readers are encouraged to check the freely available source documents for any specific details they may require. It is considered impractical and unnecessary to attempt a detailed Table 1 disclosure for every past exploration result presented in the IGR, bearing in mind that the objective of the Report is to provide a high-level summary of the key features of the projects and to comment on the use of funds being contemplated. The discussion and illustrations provided in the IGR address Clause 19 of the JORC Code, while the following Table 1 provides a high-level response that covers all of the exploration results discussed in the body of the report.

Additional detail of the activities of past explorers for the projects has been provided where available.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 	<p>All data presented herein are from past exploration activities prior to the Company's involvement and have been obtained from public records.</p> <p>The Company is undertaking a full validation of the nature and quality of the sampling undertaken. At the time of writing, such information was not yet available.</p> <p>Samples are from early-stage exploration work comprising surface soil and rock samples, auger soil samples, rotary air blast (RAB) and aircore geochemical sampling. Reverse circulation (RC) percussion sampling has been undertaken at some prospects.</p> <p>All data presented herein is based on previous work and the Company is undertaking a full</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<p>validation of the nature and quality of the sampling undertaken.</p> <p>However, the Company has done sufficient verification of the sampling techniques. The sampling techniques have also been reviewed by the Competent Person, who considers there is sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programs and generating targets for investigation.</p> <p>For the stage of the Edjudina and Yule River projects, the quality of past data is considered fit for purpose.</p> <p>All references to mineralisation are taken from reports and documents prepared by previous explorers and have been reviewed by the Company and considered to be fit for purpose.</p> <p>The author of the Independent Geologist's Report (IGR) has concluded that the results highlighted by the Company are anomalous and warrant further investigation.</p> <p>All data presented herein is historic and the Company is undertaking a full validation of the nature and quality of the sampling completed.</p>
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<p>Various drill types have been used previously, including aircore, RAB and RC. At this time, hole diameters and detailed information regarding drilling has not been compiled and is not considered material to supporting the assessment of the prospectivity of the projects.</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>The Company is undertaking validation of the data to determine whether this information has been collected in full.</p> <p>From reviewed WAMEX reports and digital data, the Competent Person noted that, in very few occasions, sample recovery was recorded for the Edjudina Project.</p> <p>Most drill hole data with important intercepts is relatively dated and does not include sample recovery.</p>
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<p>Within the WAMEX reports, there is evidence of some geological logging based on lithological codes contained in supplied digital data.</p> <p>However, there is no record of the quantity or quality of the logging, including no records regarding structure, oxidation and weathering codes and no photographs were made available.</p> <p>Several important intersections are listed in the previous exploration results, but the reporting is selective, and it is not possible to calculate the total length as a percentage based on the current data.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. 	<p>It is unknown how early diamond core programs were sampled. In more recent programs, core was sawn and sampled according to industry standard (half-core), and the Company is undertaking validation of the data.</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/ second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>There is no information regarding QAQC and sampling protocols within any of the WAMEX reports. However, there is nothing to indicate any problems were encountered.</p> <p>Spot-checks undertaken by the Competent Person of WAMEX reports showed that for holes occurring within either of the projects, there are no details about sample preparation.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<p>The Company has done sufficient verification of the assay data by extensive review of open-file historical WAMEX reports. The Competent Person has done a number of independent checks of the data and is of the opinion that there is sufficient confidence that the assaying was appropriate for the mineralisation present and is fit for the purpose of planning exploration programs and generating targets for investigation.</p> <p>While no geophysical instrument has been used for assaying, historical records show that geophysical surveys have been undertaken in accordance with prevailing industry standards of the time. This has yet to be validated by the Company but has been accepted as indicative by the Competent Person and deemed acceptable for the purposes of assessing prospectivity and planning exploration.</p> <p>There are no records of QA/QC relating to any of the historical exploration work. However, the Company has done sufficient verification of the assay data, in the Competent Person's opinion, to provide confidence that the assaying was appropriate for the mineralisation present and is fit for the purpose of planning exploration programs and generating targets for investigation.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<p>Significant intersections have been taken from a database of public data compiled by the Company. The Competent Person has completed a number of spot-checks of the source data and did not identify any material issues with the reported intersections.</p> <p>No validation or check assaying has yet been performed by the Company.</p> <p>The Company has done sufficient verification of the data, in the Competent Person's opinion, to provide sufficient confidence that sampling was performed to adequate industry standards for the time in which it was undertaken and is fit for the purpose of planning exploration programs and generating targets for investigation.</p> <p>No adjustments have been made to any of the assay data.</p>

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<p>Not appropriate as no Mineral Resource estimation being undertaken.</p> <p>Where provided, the coordinates range from older AGD66 Zone 51 to GDA94 Zone 51 to local mine grid.</p> <p>While there is no detailed documentation regarding accuracy of topography, it is not critical for first-pass historical exploration purposes.</p>
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<p>Given the first-pass nature of most of the exploration, the spacing of the various programs is appropriate for understanding mineralisation potential and identification of broad anomalous zones.</p> <p>Not applicable because no Mineral Resource estimation has been determined.</p> <p>Not applicable because no Mineral Resource estimation has been determined.</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>Most holes are vertical though some appear to dip at around 60° to the east which would be appropriate for north–northwest steeply dipping shear zones and faults.</p> <p>There is no record of inclined and/ or oriented core. Given the first-pass nature of all the exploration, it is not appropriate at the time of drilling to determine the nature and type of mineralisation and structural control to determine optimal orientation to structure.</p> <p>From the public reports, there is no reason to support potential bias from the drilling orientation, which would mostly have been vertical.</p>
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<p>There are no records relating to historic sample security procedures.</p>
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<p>Given previous exploration was conducted many years ago, no independent audits or reviews of historical sampling techniques were conducted</p>

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • Type, reference name/ number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>The details of Mont Royal's exploration, mining and prospecting licences are provided in the appropriate sections of this IGR. Issues relating to royalties, native title, historical sites and declared reserves are covered in the Independent Solicitor's Report found elsewhere in the Prospectus.</p> <p>Mont Royal has a 100 per cent legal and beneficial interest in the four exploration licences at Edjudina, with the remaining licence at Yule River held under option, currently owned by Centrepeak.</p>
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<p>Previous exploration of relevance has been reported in this IGR which has been completed by numerous companies. Further details and references to the previous work are provided in the IGR.</p>
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<p>The project is located on the Kurnalpi Terrane within the Linden domain of the Yilgarn Craton (greenstone terrain). This domain is typified by large volumes of granitoid rocks, which flank generally linear to arcuate-shaped greenstone belts. The interpreted geology of the Edjudina Project, under cover, consists of a west to east sequence of shales, cherty felsic metasediments, mafic and ultramafic rocks, and diorite to granodiorite dykes that are in direct contact with strongly foliated monzogranite.</p> <p>The main structure is the Pinjin Fault or shear which is interpreted as the southward extension of the structure controlling mineralisation at Safari Bore and Deep Well deposits.</p>
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - downhole length and interception depth - hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>Historic drilling of various vintage was conducted by previous explorers using the best practices at that time.</p> <p>Refer to Table A-1 (below) for significant drill holes and gold intercepts >0.1 g/t Au.</p> <p>For the Edjudina Project, all holes drilled that return a gold assay intersection greater than 0.1 g/t Au, with a maximum internal dilution of 2 m. No information has been excluded from the maps in the main body of the IGR.</p>

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<p>All assay data is based on previous data compiled by the Company into a Microsoft Access database. Upon review and spot-checks, the data has been treated as a true record. No validation or check assaying has been carried out by the Company.</p> <p>Gold is reported at intersections >0.1 g/t Au with a maximum of 2 m dilution.</p> <p>No metal equivalent values have been reported.</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<p>Previous drilling has been used for various drill directions and therefore does not represent true width intersections. Future work by Mont Royal will involve validation and reinterpretation of previous results and the drilling of additional holes to determine the orientation of mineralisation and hence, its true width.</p> <p>The geometry of the mineralisation with respect to the drill hole angles has not been verified.</p> <p>The statement "downhole length, true width not known" has been added at the beginning of the IGR as a frame of reference.</p>
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<p>Refer to the appropriate sections in the IGR.</p>
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<p>Only selected significant drilling intercepts have been mentioned in the IGR. Due to the nature of the drilling and lack of adequate records and survey control, they are to be considered indicative only and not material.</p>
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): <ul style="list-style-type: none"> geological observations; geophysical survey results; geochemical survey results bulk samples – size and method of treatment; metallurgical test results bulk density, groundwater, geotechnical and rock characteristics potential deleterious or contaminating substances. 	<p>All data presented herein is historical and the Company is yet to complete a full validation of the nature and quality of the previous work undertaken within the Edjudina Project tenement package. All material data encountered by the Company to date has been reported herein.</p>
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<p>The Company will undertake extensive validation and field confirmation of previous drill and sampling data at the Edjudina Project. Once the previous data review is completed, it is planned that Mont Royal will undertake geophysical surveys and drilling programs to test the targets identified.</p> <p>Refer to the IGR for further information.</p>

Table A-1: Historical gold drill hole intercepts >0.1 g/t Au from a total of 167 drill holes – Edjudina Project

Hole ID	Drill type	From (m)	To (m)	Interval (m)	Maximum grade (g/t Au)
ACPW11	Aircore	72	73	1	0.17
ACPW34	Aircore	37	39	2	0.37
ACPW37	Aircore	64	67	3	0.81
ACPW37	Aircore	65	66	1	1.67
ACPW46	Aircore	88	89	1	0.18
RCPW01	RC	142	143	1	0.38
RCPW01	RC	148	150	2	0.11
RCPW03	RC	64	67	3	0.22
RCPW03	RC	113	120	7	0.53
RCPW08	RC	40	44	4	0.18
RCPW08	RC	72	88	16	0.18
ROPW245	RAB	43	44	1	0.25
ROPW275	RAB	56	62	6	0.47
including	RAB	58	59	1	1.45
ROPW290	RAB	48	52	4	0.13
ROPW309	RAB	38	39	1	0.34
ROPW330	RAB	60	61	1	0.17
ROPW330	RAB	64	73	9	0.9
including	RAB	70	71	1	3.02
ROPW431	RAB	28	29	1	0.14
ROPW434	RAB	28	32	4	0.22
ROPW442	RAB	8	12	4	0.3
ROPW442	RAB	16	17	1	0.75

Notes:

Significant intercepts from all drill holes within Edjudina Project tenements (> 0.1 g/t Au, maximum internal dilution of 2 m).

All RAB and aircore holes are vertical with all RC holes drilled at -60° towards 090°. Downhole length, true width not known. The significant intercepts detailed in the above table are the only significant intercepts identified from a total of 167 holes within the Edjudina Project.

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Name/Title	Company
Toby Wellman	Centrepeak Resources Group

Rev No.	Date	Revised By	Revision Details
0	06/12/2018	Michael Cunningham	Draft Report
1	06/12/2018	Michael Cunningham	Final Report
2	14/12/2018	Michael Cunningham	Revised Final Report
3	17/12/2018	Karen Lloyd	Revised Final Report
4	17/12/2018	Karen Lloyd	Revised Final Report
5	20/12/2018	Karen Lloyd	Revised Final Report
6	16/01/2019	Karen Lloyd	Revised Final Report
7	29/01/2019	Michael Cunningham	Revised Final Report
8	04/03/2019	Michael Cunningham	Revised Final Report
9	05/03/2019	Michael Cunningham	Revised Final Report

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MONT ROYAL RESOURCES LIMITED

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