



MONT ROYAL RESOURCES QUARTERLY REPORT 31 DECEMBER 2021

Highlights

- **Completion of Northern Lights Minerals acquisition**
- **Wapatik prospecting program delivers 1km x 400m Cu–Ni–PGE target**
- **Ground EM planned to commence at Tarku Project**
- **Strong cash position \$5.2m to deploy into exploration across both projects**

Mont Royal Resources Limited (ASX:MRZ) ("Mont Royal" or the "Company") is pleased to provide an update on the Company's activities for the quarter ending 31st December 2021 ("Quarter", "Reporting Period").

During the Quarter, the Company completed the acquisition of 75% of Northern Lights Minerals Pty Limited (**NLM**), an Australian proprietary limited company holding a significant land package (**Acquisition Assets**) in the Upper Eastmain Greenstone Belt located in Quebec, Canada.

Furthermore, the Company was very excited to complete its prospecting program and release the results and interpretation from the Wapatik Project yielding highly encouraging results. The discovery of a kilometre-scale potential mafic-ultramafic intrusion is considered as an attractive Cu–Ni–PGE exploration target. Wapatik is a 25-kilometre-long project covering a largely underexplored part of the Lower Eastmain greenstone belt in the Archean La Grande Subprovince, and is located approximately 10 kilometres north of the boundary with the Opinaca Subprovince.

Commenting on the Quarter, Mont Royal Executive Director, Peter Ruse, said:

"Mont Royal was delighted to complete the acquisition of 75% NLM during the Quarter, with the Company now owning interests in two very exciting project areas spanning across two underexplored greenstone belts in Quebec. Mont Royal now looks forward to a busy year of exploration on the NLM assets commencing with a Ground EM program at the Tarku Project. We also have a very exciting year of exploration ahead for the Wapatik Project, following the excellent results gained from the focused prospecting and mapping released during the Quarter. The Company looks forward to updating shareholders on the next steps at Wapatik over the coming weeks."

CORPORATE DIRECTORY

Gary Lawler
Non-Executive Chairman

Peter Ruse
Executive Director

Michael O'Keeffe
Non-Executive Director

Shaun Menezes
Company Secretary

CONTACT DETAILS

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NLM acquisition reaches completion

During the Reporting Period, Mont Royal completed the acquisition of 75% of Northern Lights Minerals Pty Ltd (NLM), an Australian proprietary limited company with mining claims (held by a Canadian subsidiary) and the rights to acquire a significant land package of further mining claims (Acquisition Assets) in the Upper Eastmain Greenstone Belt located in Quebec, Canada. Completion of the transaction was reached on 1 December 2021.

The Acquisition Assets are situated the Upper Eastmain Greenstone belt, located 300km NNE of the town of Chibougamau and 56 km south of Renard Diamond mine.

The Upper Eastmain Greenstone Belt is one of several Archean greenstone belts situated within the Canadian Shield. Due to its northerly location and historically perceived remoteness, the region has not received the same exploration comparable to the belts located further south, that are better recognised as making up the world-famous Abitibi Greenstone Belt, hosting a number of world class mines including Kirkland Lake, Rouyn Noranda, Malartic and Kerr Addison.

The territory which encompasses the Acquisition Assets is covered by Société du Plan Nord (“SPN”), a government initiative focused on the funding and implementation of integrated and sustainable development of the area. The properties benefit from year-round access via the Route 167 highway, and the approximate distance between the MRZ’s Wapatik Project and the collection of Acquisition Assets is 350km to the North-east.

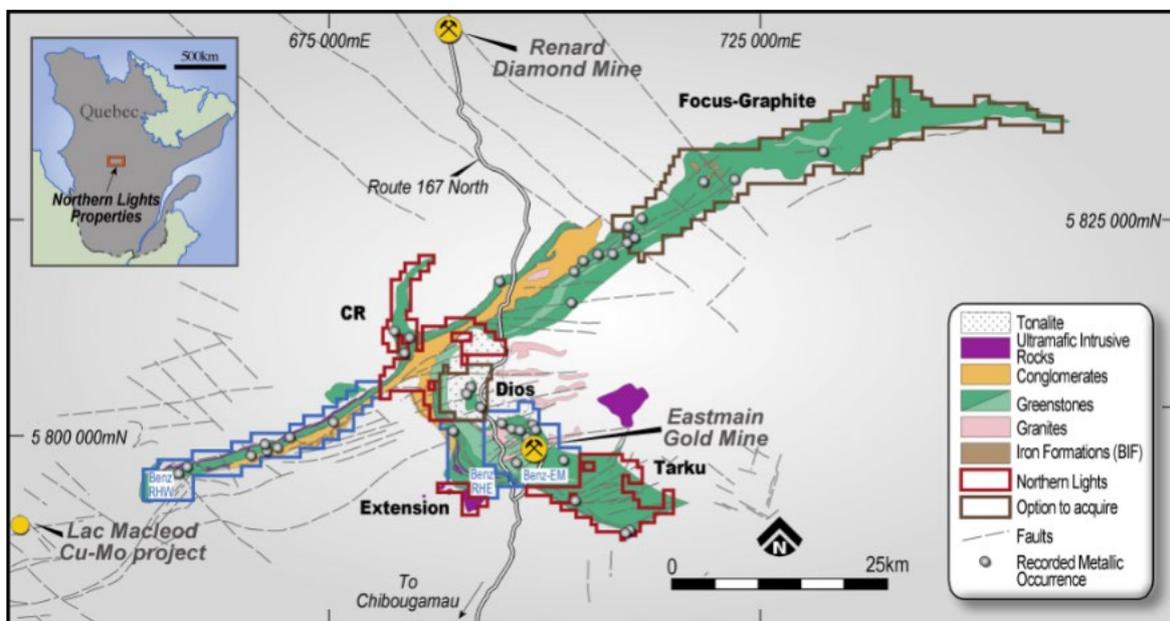


Fig. 1: The upper Eastmain Greenstone Belt with Northern Lights Tenure.
Coordinates system on the maps is NAD83 UTM zone 18

NLM - Ground electromagnetic surveying (EM) Tarku Project

The proposed exploration program of the NLM assets is set to commence with a ground EM survey that will target the southern thrust zone on the western part of the Tarku, referred here as the Target-1 (Fig. 2 & 3). The western part of the Target-1 is characterised by a cluster of small heli-borne EM anomalies distributed in a vicinity to the Colline du Chateau Fort gold occurrence along the Ruby Hill corridor (Fig. 3). The size and intensity of these anomalies is similar to that identified at the neighbouring Eastmain property, where it was found to be related to the gold mineralisation. Therefore, the EM exploration survey will initially be focused on this part of Target-1, representing a priority exploration interest (Fig.3).

Another target, defined as the Target-2 represents the strong heli-borne EM anomaly approximately in the middle of the Tarku Project, where it is coincident with the gabbro intrusion (Figs. 2 and 3). The western flank of the intrusion is cut by a set of the East-North-East trending faults that are linked with Colline du Chateau Fort gold occurrence.

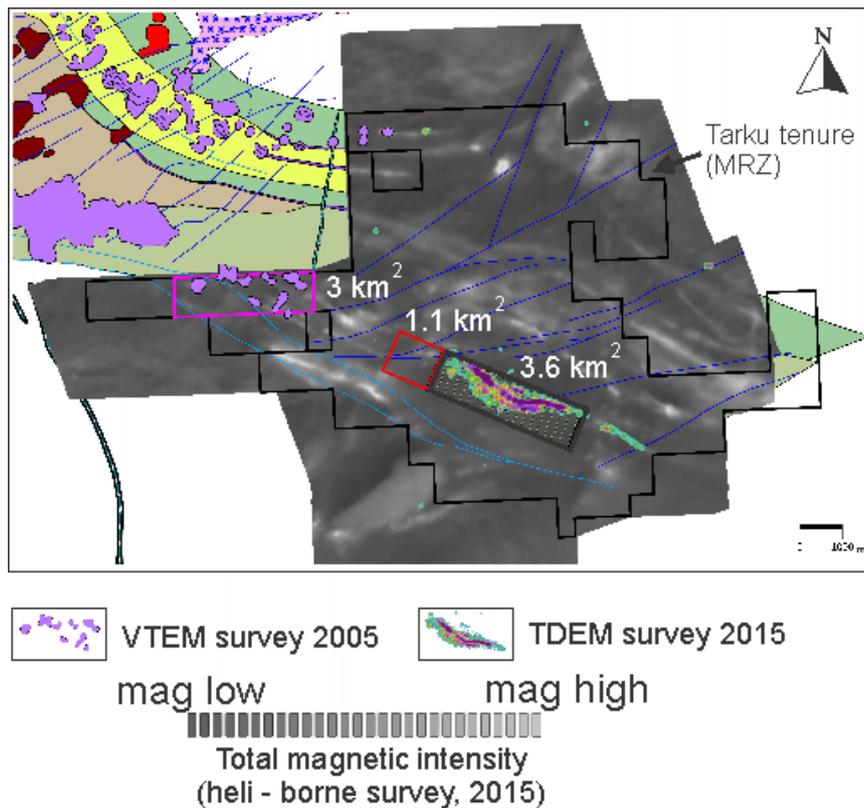


Fig. 2: Planned areas (Black/Red/Purple polygons) for the ground EM survey at Tarku. Background is a total magnetic intensity (TMI) map. Geology legend of the Tarku's neighbouring areas was presented on the Figure 2.

First published by MRZ on 22nd October 2021.

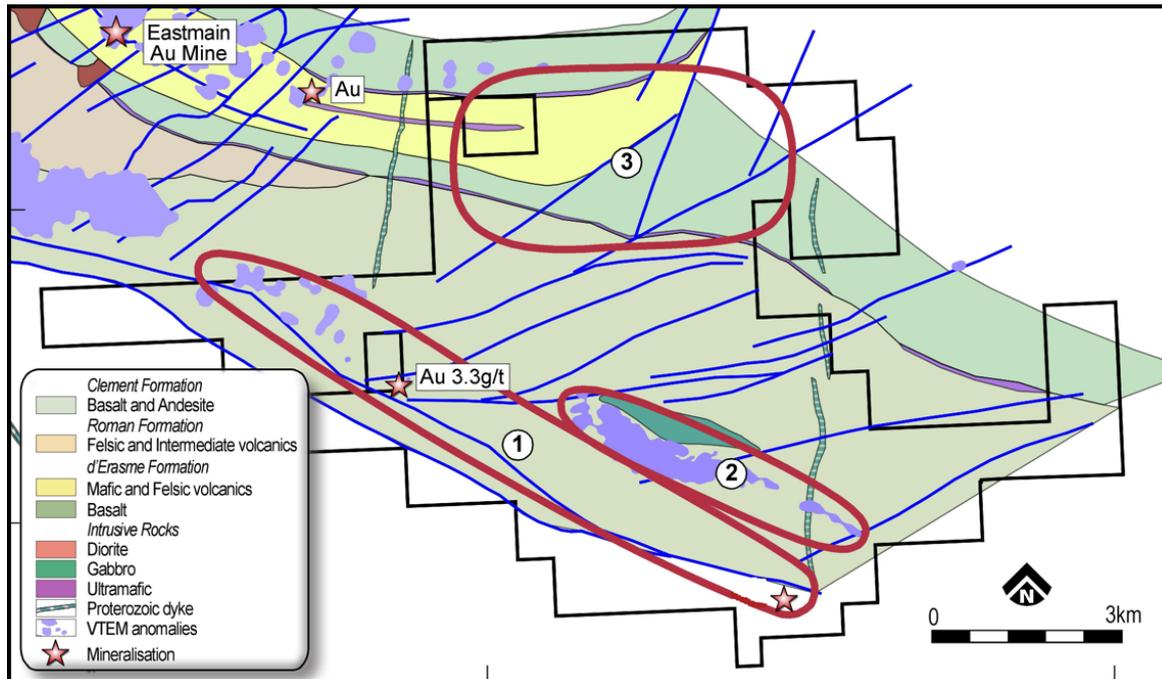


Fig. 3: Three targeted exploration areas across the Tarku property. Area 1 & 2 will be subject to the current ground EM program

Wapatik Project (Earn-in Azimut Exploration AZM.TSXV)

During the Reporting Period, Mont Royal was pleased to announce that Azmiut had completed an initial prospecting program on the Wapatik Project ("Wapatik"), located along the same Archean greenstone belt hosting the Elmer gold discovery (100% Azimut) in the James Bay region of Quebec. The program resulted in the discovery of a previously unrecognised kilometre-scale ultramafic intrusion with associated copper and nickel sulphide mineralisation. The most significant grab sample results from the intrusion are summarized below:

| Copper (%) | Nickel (%) | Cobalt (ppm) | PGE (Pt+Pd) (ppb) | Ag (g/t) | MgO (%) | Sample # |
|------------|------------|--------------|-------------------|----------|---------|----------|
| 1.035 | 0.384 | 316 | 28 | 5.42 | 15.09 | E6320167 |
| 0.814 | 0.267 | 223 | 44 | 1.91 | 15.38 | E6320152 |
| 0.731 | 0.061 | 112 | 176 | 7.09 | 14.72 | E6320221 |
| 0.653 | 0.085 | 127 | 153 | 5.92 | 15.30 | E6320154 |
| 0.098 | 0.129 | 132 | 7 | 0.64 | 26.61 | E6320155 |
| 0.072 | 0.171 | 161 | Not analysed | 0.27 | 26.42 | E6320234 |

The ultramafic intrusion, which is approximately 1,000 metres by 400 metres, is bounded by volcano-sedimentary rocks of the Lower Eastmain greenstone belt, specifically iron formations and pyrite-rich metasediments and mafic volcanics.

This lithological context is considered as highly favourable for massive to semi-massive nickel-copper sulphide mineralisation, and often positioned along the basal contact of an intrusive body. Mineralised facies contain chalcopyrite, pyrrhotite and possibly pentlandite, occurring as veinlets and disseminated or interstitial sulphides within coarse-grained pyroxenite and gabbro.

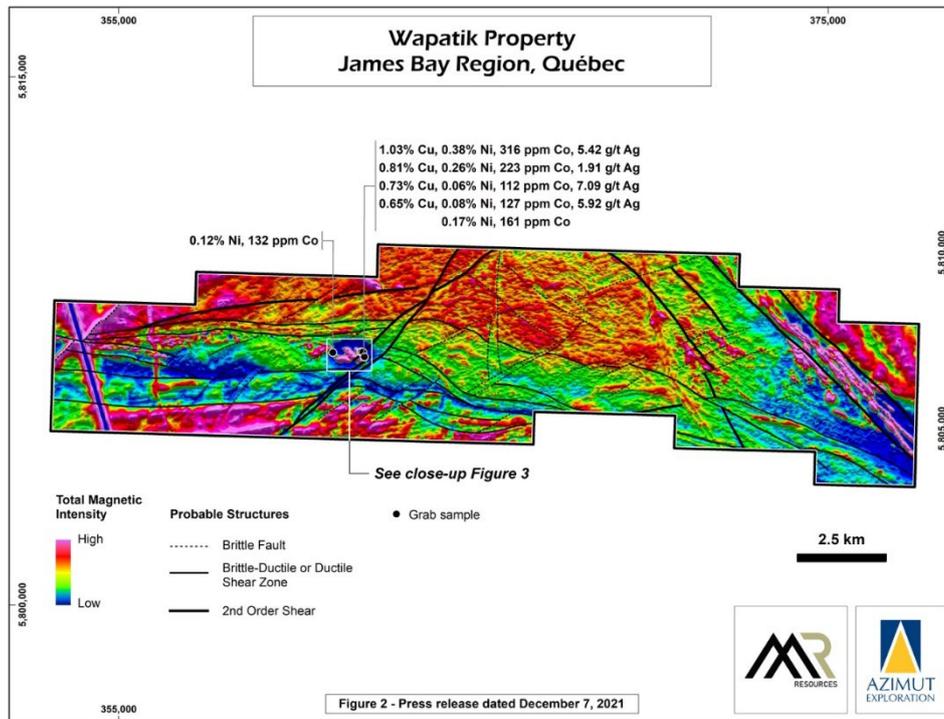


Fig 4 : First published by MRZ on 8 December 2021.

The intrusion is well characterised by a strong subcircular magnetic anomaly outlined by a high-resolution heliborne survey completed earlier this year over the Property (5,116 line-km on 25-m spaced lines). The anomaly appears to be composed of three (3) contiguous magnetic lobes that may correspond to different magmatic pulses. A 3D magnetic inversion of the data suggests a basin-shaped geometry for part of the intrusion, which may constitute a very favourable setting for sulphide accumulation (see Figure 5) and suggests a basin-shaped geometry for part of the intrusion, which may constitute a very favourable setting for sulphide accumulation (see Figure 5).

Wapatik Property James Bay Region, Québec



Photo 1: Outcrop of ultramafic rocks (peridotite?). UTM 18 - NAD83: 361,926 m E; 5,807,046 m N



Photo 2: Mineralized pyroxenite with chalcopyrite, pyrrhotite and possibly pentlandite: **1.035% Cu, 0.384% Ni, 316 ppm Co, 5.42 g/t Ag**
(Sample E6320167). UTM 18 - NAD83: 361,838 m E; 5,807,184 m N

Photos 1 & 2 - Press release dated December 7, 2021



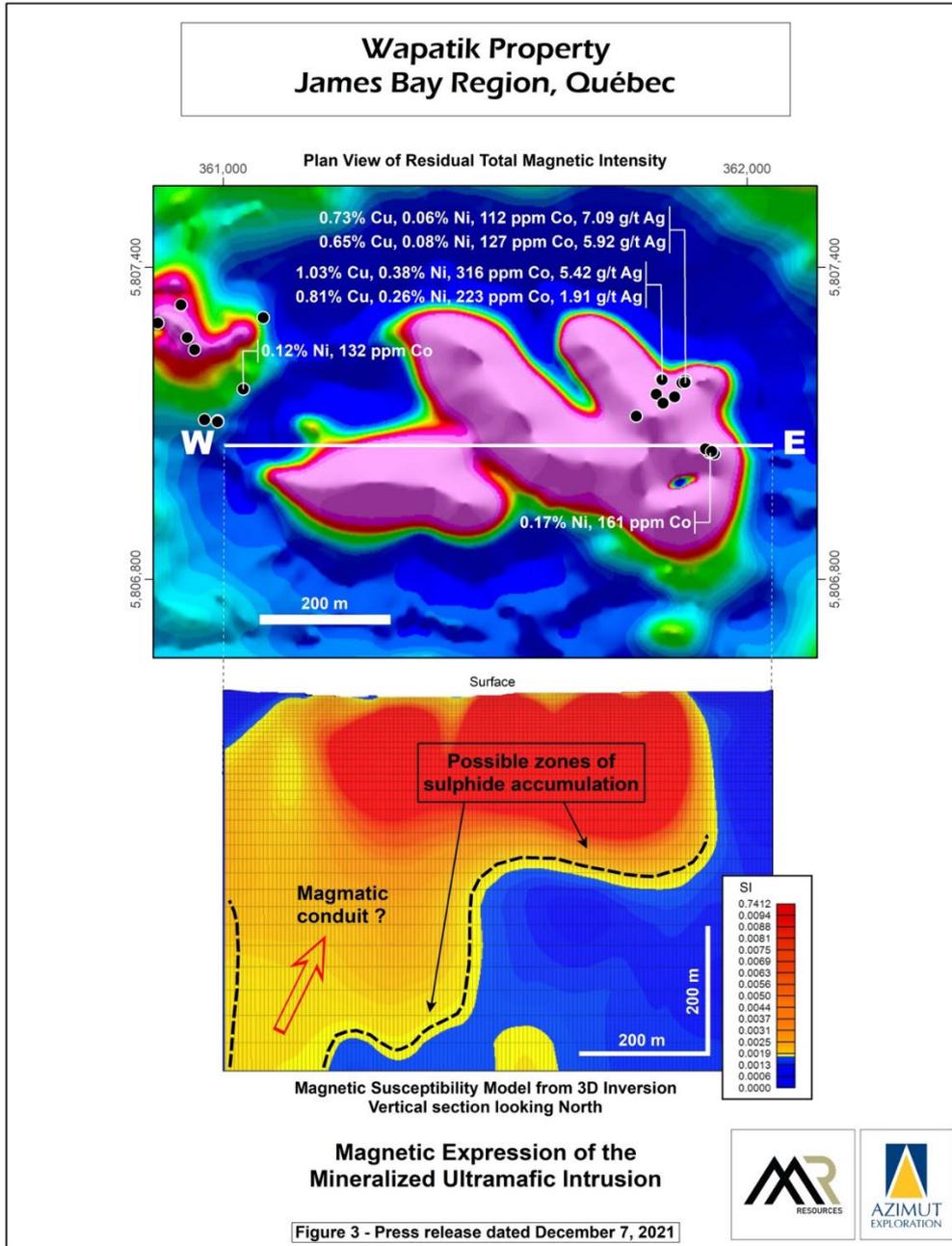


Fig 5 : First published by MRZ on 8 December 2021.

Financial position and outlook

The Company held \$5.2m in cash at the end of the December 2021 quarter following the recent \$4m capital raise (before costs) completed in November 2021. Mont Royal continues to maintain strict cost controls with no large recurring general and administrative (G&A) expenses.

A summary of the expenditure incurred on exploration activities is set out below. No development or production activities were undertaken during the Quarter.

| Appendix 5B reference | ASX description reference | Amount | Company Summary |
|------------------------------|---|---------------|---|
| 2.1(d) | Exploration and evaluation (if capitalised) | \$412,000 | This item relates to funds paid to Azimut to carry out exploration activities as part of the farm-in to the Wapatik Gold-Copper Project, Quebec, Canada; and payment of the Focus Graphite Inc. second milestone payment. |

The aggregate total of payments to related parties and their associates, is disclosed in item 6.1 of the Appendix 5B pertaining to payments of executive and non-executive directors' fees.

Mining tenements

The details of mining tenements acquired or disposed during the quarter and held at the end of the quarter is set out in the annexure.

This announcement was approved for release by the Board.

ENDS.

For and on Behalf of the Board

Shaun Menezes | Company Secretary

Competent Person's Statement

The information in this report that relates to exploration results was released to the market on 8th December 2021 and 24th January 2022. The Company is not aware of any new information or data that materially affects the information included in the relevant announcements.

About Mont Royal Resources

Mont Royal Resources Limited (ASX:MRZ) is an Australian company incorporated for the purpose of pursuing various mining opportunities in the resources sector, with the aim of building shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities. The Company has entered into a binding JV option agreement with Azimut Exploration Inc. (TSXV: AZM), to earn-in up to 70% of the Wapatik Gold-Copper Project. Furthermore, Mont Royal acquired 75% of Northern Lights Minerals 536 km² package located in the Upper Eastmain Greenstone belt- the projects are prospective for both precious (Gold, Silver) and base metals mineralisation (Copper, Nickel), located in James Bay area, a tier 1 mining jurisdiction of Quebec, Canada. For further information regarding Mont Royal Resources Limited, please visit the ASX platform (ASX:MRZ) or the Company's website www.montroyalres.com.

Annexure - Mining Tenement Information

The Company is party to a binding JV option agreement with Azimut Exploration Inc. (TSXV: AZM), to earn-in up to 70% of the Wapatik Gold-Copper Project, located in James Bay area, a tier 1 mining jurisdiction of Quebec, Canada.

On 1 December 2021, the Company completed the acquisition of 75% of Northern Lights Minerals Pty Limited ("NLM") which holds a substantial land package across the Upper Eastmain Greenstone belt in Quebec, Canada.

In addition, a subsidiary of NLM holds rights to acquire 100% of the rights in assets held by Focus Graphite Inc. The Company has not yet earned an interest in the tenements. Further details are set out in the Company's announcement dated 3 September 2021.

NLM also is party to an agreement with Dios Exploration Inc providing NLM the rights to acquire a 70% interest in certain claims (and associated mining information). The Company has not yet earned an interest in the tenements. Further details are set out in the Company's announcement dated 3 September 2021.

The tenements acquired during the December 2021 quarter and held on 31 December 2021 are as follows:

| Project | Location | Tenement |
|-----------------|----------|-------------------|
| Northern Lights | Canada | 2556880 – 2557189 |
| | | 2558307 – 2558325 |
| | | 2565968 – 2565987 |
| | | 2538870 – 2538914 |
| | | 2543213 – 2543214 |
| | | 2543450 |

There following tenements were relinquished during the December 2021 quarter:

| Tenement | Location |
|----------|-------------------|
| E39/1992 | Western Australia |
| E39/1993 | Western Australia |
| E39/1994 | Western Australia |
| E39/1995 | Western Australia |