QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2020

Mont Royal Resources Limited ("**Mont Royal**" or the "**Company**") (ASX:MRZ) is pleased to provide shareholder and investors with an overview of activities for the period ending 30 September 2020 ("**Quarte**r").

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

Highlights

- **Located in world class, mining-friendly jurisdiction of Quebec, Canada.**
- **Located over the lower Eastmain greenstone belt, part of the Archean Superior Province.**
- **Geological formation which hosts Azimut's Elmer project extends east to west associated with high magnetic/iron formations.**
- **A linear scale fault has been interpreted as striking from Elmer property into the Project (west-to-east).**
- **The transaction will enable Mont Royal to deploy its cash position via the earn-in partnership arrangement, whilst leveraging off Azimut's strong technical exploration team, to unlock the full potential of the Wapatik project.**
- **Transaction conditional upon Mont Royal gaining shareholder approval at the upcoming annual general meeting on 9th November 2020.**
- **Mont Royal maintains a strong cash position of $3.47m as at the end of the September quarter, well positioning the Company for exploration going forward.**

Mont Royal Executive Director, Peter Ruse, commented: "*The Board of Mont Royal is very pleased to have delivered a new Agreement during the Quarter, with the option to earn 70% of the Wapatik Gold-Copper project in Quebec, Canada. Following our Shareholder meeting in early November 2020, the Company is excited to commence immediate fieldwork on this highly prospective project in James Bay, Quebec. We encourage shareholders to vote in favour of the acquisition"*

RESOURCES

ASX:MRZ

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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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Wapatik Gold-Copper Project

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

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

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

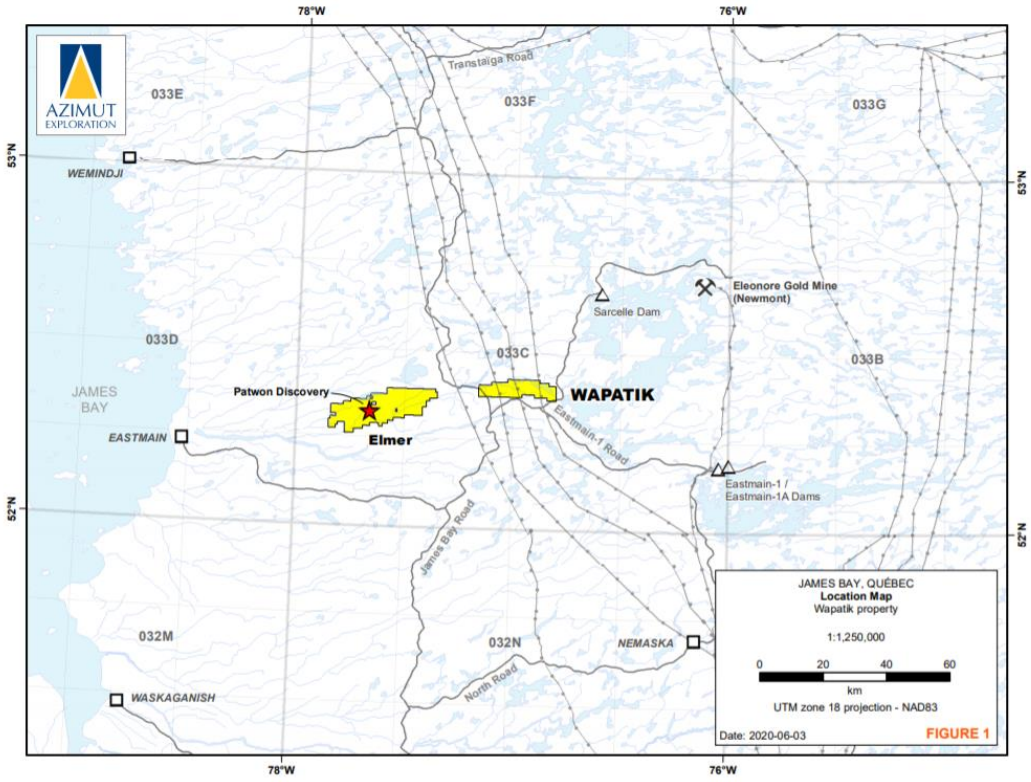


Figure 1 – Wapatik Project Location Map (Source: Azimut Exploration)

Location & Infrastructure

The Wapatik Project ("**Project**") is located in the James Bay-Eeyou Istchee region, with the James Bay and the Sarcelle roads crosscutting the property allowing year-round access. The project is 93 km east of the Eastmain airport, 58 km SW from the Éléonore Gold mine (Newmont Corporation NEM.US).

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

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The Project is also located within the "Société du Plan Nord government plan, that aims to contribute to maximizing the economic spinoffs generated by the development of the natural resources in this region.



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

Quebec as a Mining/Exploration jurisdiction

Quebec ranks second to Ontario in terms of provincial gold production in Canada, with Quebec producing 33.7% of Canada's gold in 2018, at some 2.16 million ounces, led by Canada's largest producer, Agnico Eagle Mines, which has three producing mines in the province.

Significant amounts of exploration capital have been invested into Quebec explorers due to the province's combination of geological potential, legal stability, supportive permitting environment, infrastructure and fiscal incentives.

Figures from Natural Resources Canada show that investment in exploration, deposit appraisal and mine complex development are projected to increase by 30% this year to C$560.9 million, compared to C$432.4 million in 2019. The province of Quebec also invests directly in explorers through funds such as Ressources Quebec, which manages a $1 billion Natural Resources and Energy Capital Fund, Caisse du Depot, Sidex and the James Bay Investment Board[1].

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

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Historical Exploration Strategy

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

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

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

Technical committee & proposed work program

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

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

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

Transaction Structure

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

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

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Period	Minimum First Option Earn-In Expenditures	Cash Payments
At the latest on the first (1st) anniversary of the Effective Date	C$600,000	C$20,000
At the latest on the second (2nd) anniversary of the Effective Date	C$800,000	C$20,000
At the latest on the third (3rd) anniversary of the Effective Date	C$1,200,000	C$20,000
At the latest on the fourth (4th) anniversary of the Effective Date	C$1,400,000	C$20,000
Total	**C$4,000,000**	**C$80,000**

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

(a) providing Azimut with a preliminary economic assessment with respect to the Project (the "**PEA**") at the latest on the third (3rd) anniversary of the Second Option Election Notice (the "**Second Option Period**") (subject to a potential 3-year extension);

(b) making cash payments to Azimut aggregating C$120,000; and

(c) by funding not less than C$3,000,000 in exploration expenditures on the Project (the "**Second Option Earn-In Expenditures**") in accordance with the following schedule:

Period	Minimum Second Option Earn-In Expenditures	Cash Payments
At the latest on the first (1st) anniversary of the Second Option Election Notice	C$1,000,000	C$40,000
At the latest on the second (2nd) anniversary of the Second Option Election Notice	C$1,000,000	C$40,000
At the latest on the third (3rd) anniversary of the Second Option Election Notice	C$1,000,000	C$40,000
Total	**C$3,000,000**	**C$120,000**

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

The period within which Mont Royal must provide Azimut with the PEA may be extended for three (3) subsequent consecutive periods of one (1) year each upon Mont Royal paying Azimut the sum of C$100,000 per each such extension year and funding Second Option Earn-In Expenditures of at least C$1,000,000 per each such extension year.

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First Option Earn-In Expenditures exceeding the aggregate amounts of C$4,000,000 in the First Option Period shall be credited to the Second Option Period and accounted as Second Option Earn-In Expenditures. Any claim renewal costs incurred by Azimut with respect to the Project during the Second Option Period will be accounted as Second Option Earn-In Expenditures.

Following the exercise and completion of the Second Option, Mont Royal will hold an aggregate of 70% earned interest in the Project. During the Second Option Period, transfers of all or part of its interest in the Project by Azimut shall be subject to a 30 days right of first refusal in favour of Mont Royal.

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

Edjudina Project

The Company retains ownership of the Edjudina Project, with activities completed for the quarter included submission of MRF disturbance summaries, Form 5 reporting and compilation of Combined Annual Reporting for the Edjudina tenement package. A review of the Company database was also completed, ensuring all publicly available data had been uploaded to the regional dataset, including competitor data released via announcements on the ASX.

Financial position and outlook

The Company remains very well-funded with $3.47m in cash at the end of the Quarter. Mont Royal maintains strict cost controls with no large general and administrative (G&A) expenses, and Board and management fees continue to be well below many peer companies. The Company intends to continue to maintain strict cost controls until such time as it is able to commence spending on the Wapatik Project.

A summary of the expenditure incurred on exploration activities, payments to related parties and tenements held are set out in the annexure to the Appendix 5B.

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

For further information please refer to the Appendix 5B.

Annual General Meeting

As per the company's announcement to the ASX on 9 October 2020 – Notice was given that the Annual General Meeting of Shareholders of Mont Royal Resources Limited (will be held virtually via webinar on Monday, 9 November 2020 at 4.00pm (AEDT) (Meeting).

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the Annual General Meeting as a virtual meeting accessible online, in a manner that is consistent with the temporary modifications to the Corporations Act 2001 (Cth) introduced by the Commonwealth Treasurer.

Shareholders will be able to attend and participate in the Meeting via live Zoom audiocast by registering at:

https://us02web.zoom.us/webinar/register/WN_EmLUqmbFTf6QXhv4LRQS1g

Further instructions are set out in the Notice of Meeting (NoM).

ENDS.

For and on Behalf of the Board
Shaun Menezes | Company Secretary

Competent Person's Statement

The information in this announcement which relates to exploration results for the Edjudina Gold Project was first released by the Company to ASX in its prospectus dated 5 March 2019, released on 3 May 2019. Subsequent exploration results were released on 27 September 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the prospectus and announcement of 3 May 2019.

About Mont Royal Resources

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

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

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Annexure

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

Description	Prospectus disclosure		Actual Expenditure	Commentary
	Year 1	Year 2		
Exploration – Edjudina Project	1,000,000	1,500,000	459,859	A.
Exploration – Yule River Project	25,000	475,000	-	B.
Directors' fees	200,000	200,000	286,841	
General administration fees and working capital	235,000	235,000	317,476	
Future acquisition costs	465,000	515,000	196,261	C.
Estimated expenses of the Public Offer	500,000	-	537,000	
Total	**2,425,000**	**2,925,000**	**1,797,437**	

Commentary:

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

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

C. The Company has not incurred significant expenditure in this area to date but has incurred funds on considering opportunities since the decision was taken not to continue exploration on Edjudina. During the quarter, the Company entered into an Agreement with Azimut, to earn-in up to 70% of the Wapatik Gold-Copper Project, located in James Bay area, a tier 1 mining jurisdiction of Quebec, Canada. This acquisition is subject to shareholder approval to be obtained on 9 November 2020.