



**MONT ROYAL RESOURCES  
LIMITED AND ITS  
CONTROLLED ENTITIES**

**ACN: 625 237 658**

**Annual Financial Report**

**For The Year Ended 30 June 2022**

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**CORPORATE DIRECTORY**

**BOARD OF DIRECTORS**

Gary Lawler (Non-Executive Chairman)  
Michael O'Keeffe (Non-Executive Director)  
Peter Ruse (Executive Director)

**COMPANY SECRETARY**

Shaun Menezes

**REGISTERED OFFICE AND PRINCIPAL BUSINESS OFFICE**

Level 8, 2 Bligh Street  
Sydney NSW 2000

Telephone: (+61 2) 8651 7800

**SHARE REGISTRY**

Automic Registry Services  
Level 2  
267 St Georges Terrace  
Perth WA 6000

Investor Enquiries: 1300 288 664

**AUDITOR**

BDO Audit (WA) Pty Ltd  
Level 9, Mia Tellagonga Tower 2  
5 Spring Street, Perth, WA

Telephone: (+61 8) 6382 4600

**STOCK EXCHANGE**

ASX Limited (Australian Securities Exchange)  
ASX Code: MRZ

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# MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

Your directors present their report on the consolidated group for the year ended 30 June 2022.

### Directors

The names, qualifications and experience of the directors in office at any time during, or since the end of, the year are as follows. Directors have been in office since the start of the year to the date of this report unless otherwise stated.

*Gary Lawler (Non-Executive Chairman) BA, LLB, LLM(Hons), ASIA, Master of Laws (Applied Laws)(Wills & Estates)*  
Mr Lawler is a career lawyer having practiced for over 40 years primarily as a corporate/ mergers and acquisitions lawyer. During his years of practice, Mr Lawler has been a partner in several large Sydney based law firms and is currently a Senior Adviser at Ashurst Australia. Mr Lawler brings a wealth of legal and business experience to the Board.

Other current directorships: Champion Iron Limited(ASX/TSX).

Former directorships (last 3 years): Cartier Iron Corporation(CSE) and Riversdale Resources Limited (unlisted).

*Michael O'Keeffe (Non-Executive Director) BAppSc*

Mr O'Keeffe is a metallurgist and currently the Executive Chairman of Champion Iron Limited. His vast knowledge of the mining industry and its issues and his extensive experience managing large companies have given him an impressive track record of achievements. Mr O'Keeffe was previously Executive Chairman of Riversdale Mining Limited (2004-2011), Managing Director of Glencore Australia Limited (1995-2004) and Mount Isa Mines (1975-1994).

Other current directorships: Champion Iron Limited(ASX/TSX), Burgundy Diamond Mines Limited.

Former directorships (last 3 years): None.

*Peter Ruse (Executive Director) BCom, GradCertAppFin*

Mr Ruse is a finance professional with over 12 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.

Other current directorships: Gunsynd PLC (AIM-LSE), Parabellum Resources Limited.

Former directorships (last 3 years): Plukka Limited.

### Company Secretary

*Shaun Menezes BCom, LLB*

Mr Menezes is an accounting and finance professional with over 20 years experience. He has worked in the capacity of Company Secretary and Chief Financial Officer of a number of ASX and SGX listed companies, held a senior management role within an ASX 200 listed company and was an executive director at a leading international accounting firm. He is a member of the Governance Institute of Australia and the Chartered Accountants Australia and New Zealand.

### Directors Meetings

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2022 attended by each director:

	Number Eligible to Attend	Number Attended
Gary Lawler	5	5
Michael O'Keeffe	5	5
Peter Ruse	5	5

### Principal Activities

The principal activity of the consolidated group during the year was the farm-in to and exploration of the Wapatik Gold-Copper Project in Quebec, Canada, the acquisition of the a 75% interest in Northern Lights Minerals Pty Ltd and subsequent exploration on these projects in the Upper Eastmain Greenstone Belt in Quebec, Canada.

### Review of Operations

The consolidated loss of the consolidated group for the year amounted to \$2,052,159 (2021: \$701,414).

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

**Wapatik Project**

During the first half of the financial year, the Company 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, Canada. The program resulted in the discovery of a previously unrecognised kilometre-scale ultramafic intrusion with associated copper and nickel sulphide mineralisation<sup>1</sup>.

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<sup>1</sup>.

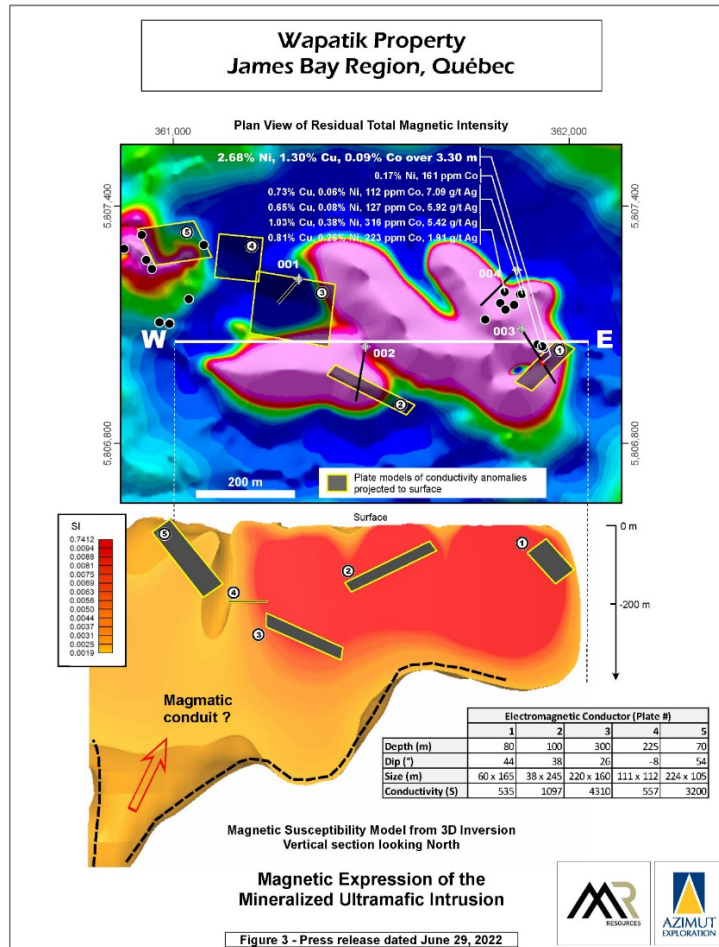
In May 2022, the Company commenced a maiden 1,000 metre drill program<sup>2</sup> resulting in a discovery of nickel-copper massive sulphide mineralisation. A high-grade intersection, related to an ultramafic intrusion and corresponding to an electromagnetic conductor with strong potential for expansion.

Details of the discovery hole WAP22-003: 2.68% Ni, 1.30% Cu, 0.09% Co over 3.30m from 143.4 m to 146.7 m along the hole (110 meters vertical depth), including: 3.63% Ni, 0.48% Cu, 0.12% Co over 1.0 m, and 3.04% Ni, 0.75% Cu, 0.10% Co over 1.1 m<sup>1</sup>.

Assay results are pending for the other three holes and the remainder of WAP22-003 which formed part of the phase 1 drilling program.

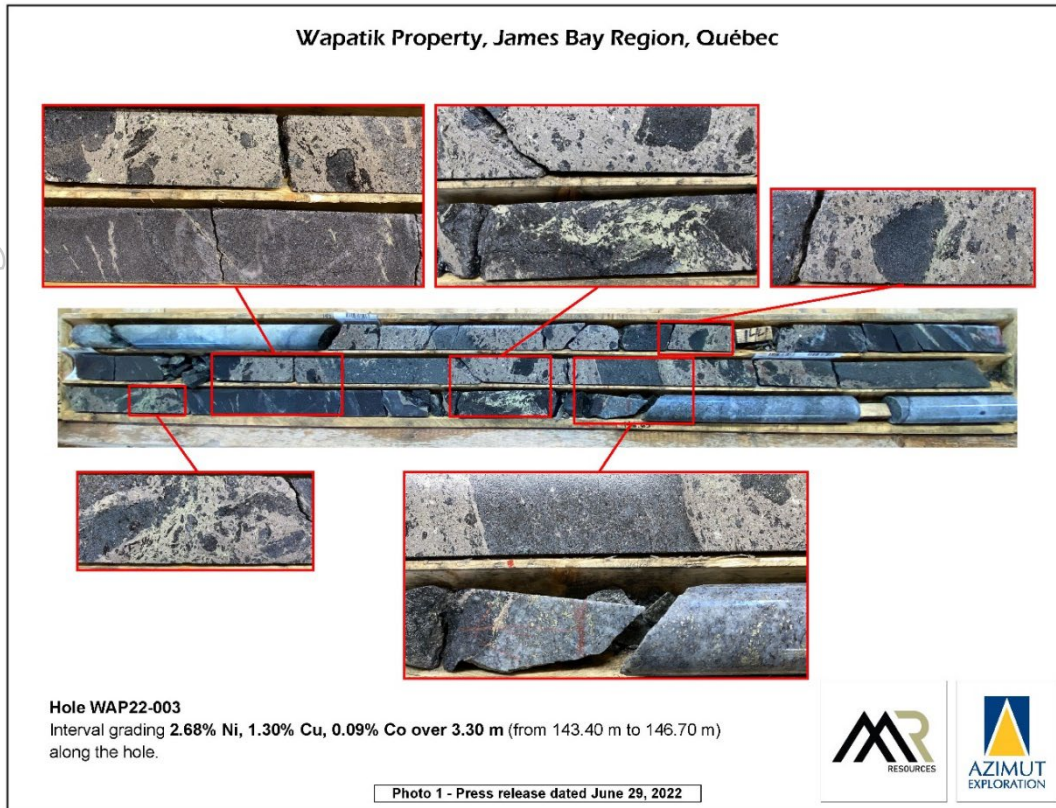
A second phase 7-hole (1,200 metre) follow-up program was completed in late June/ early July to further delineate the shape and extent of this discovery. Other attractive targets within the intrusion may also be drill-tested.

All core samples have been sent to ALS Laboratories in Val-d'Or, Québec with samples analysed for a 48-element suite using ICP. High-grade nickel and copper were analysed using 4-acid digestion and ICP-AES finish. Gold, platinum and palladium were analyzed using lead oxide collection fire assay and ICP-AES finish. Azimut applies industry-standard QA/QC procedures to its drilling programs. All batches sent for analysis include certified reference materials, blanks, and field duplicates. The drill program was operated by Azimut, with the drilling being carried out by Chibougamau Drilling Ltd of Chibougamau (Quebec).



**Fig 1 : Planned view of total residual magnetic intensity and magnetic susceptibility model**

Source :Azimut Exploration 29th June 2022

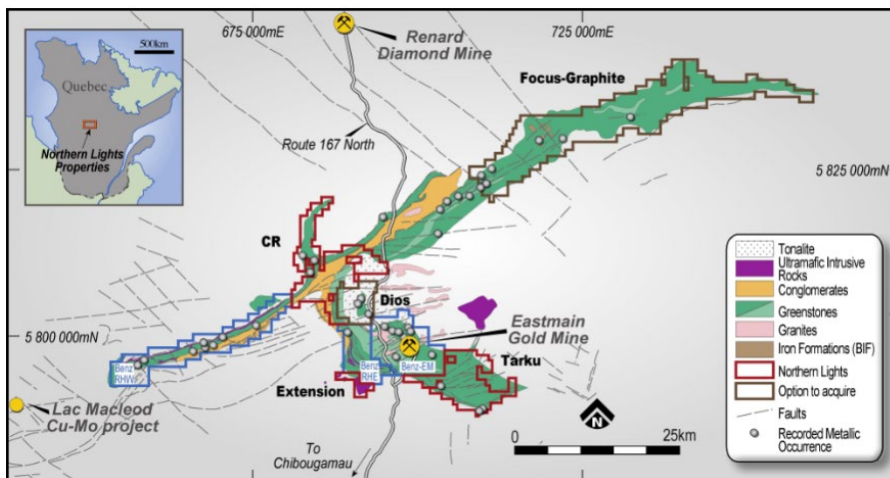


**Fig 2 : Photos WAP22-003 Discovery drill intersection**  
Source :Azimut Exploration 29th June 2022

### Northern Lights Minerals Projects

In December 2021, the Company completed the acquisition of 75% of Northern Lights Minerals Pty Ltd (NLM)<sup>3</sup>, 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 (“Northern Lights Projects”, “Projects”) in the Upper Eastmain Greenstone Belt located in Quebec, Canada. Completion of the transaction was reached on 1 December 2021.

The Northern Lights Projects are situated the Upper Eastmain Greenstone belt, located 300km NNE of the town of Chibougamau and 56 km south of Renard Diamond mine. The territory which encompasses the Projects 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 Projects benefit from year-round access via the Route 167 highway, and the approximate distance between the Mont Royal’s Wapatik Project and the collection of Northern Lights Projects is 350km to the North-east.



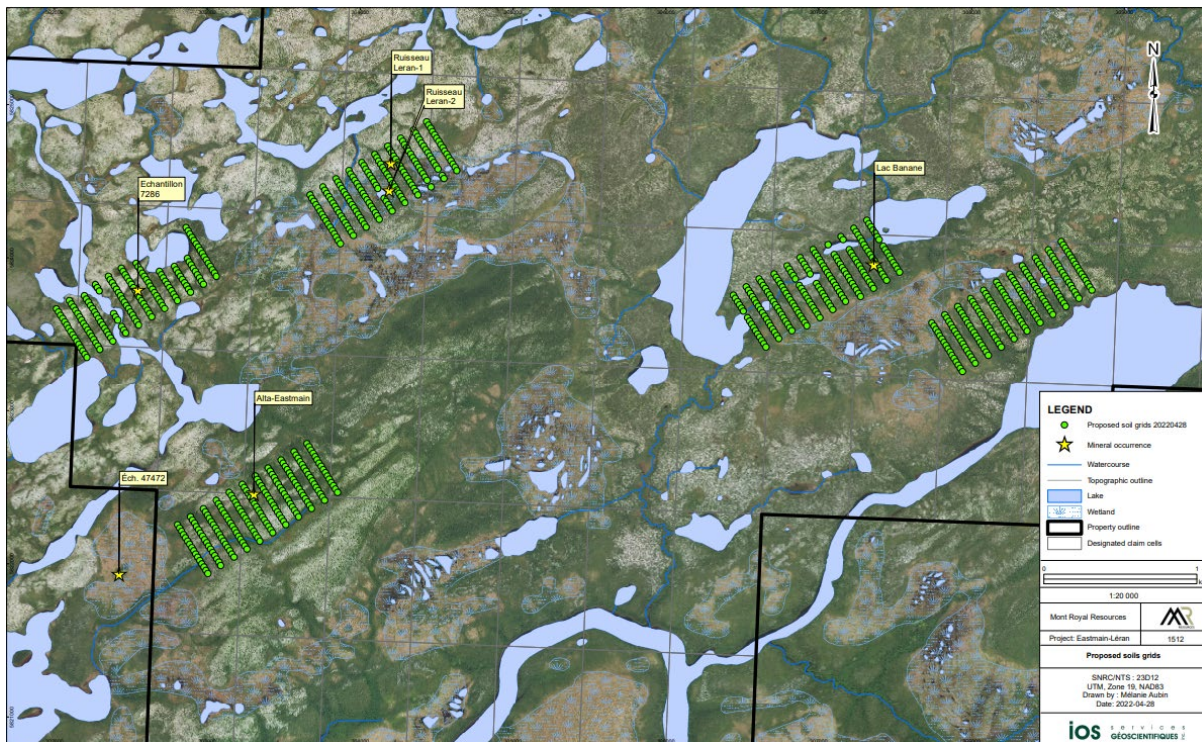
**Fig. 3: The upper Eastmain Greenstone Belt with Northern Lights Tenure.**  
Coordinates system on the maps is NAD83 UTM zone 18 (First published by MRZ on 3 September 2021)



**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

During the second half of the financial year, a ground geophysics program was completed at the Tarku Project delivering promising results<sup>4</sup>, with a series of four loops enabled resistivity/conductivity measurements along 40 x 1 km-long lines. The results (Figure 1) show a series of 11 EM anomalies distributed along three km-long conductive horizons parallel to the regional geological trend. Maxwell Thin Plate Modelling of the 8 strongest anomalies (Figure 2) suggests a series of 18 plates starting at a depth of 25 meters and extending down to 300 metres below surface. There is no known surface indication about the nature of these conductors, however geology of the area suggests they could be ultramafic sills (magmatic Cu-NiPGE sulphides targets) or exhalative horizons (volcanogenic massive sulphides targets). The Company plans to continue its interpretation with an aim of commencing a second phase exploration program during the Spring of 2023, which will consist of drilling the STDEM targets season.

The program was carried out concurrently with a soil survey at Eastmain Léran Project with results from the soil survey expected during the autumn/fall 2022.



**Figure 4: Soil survey grid of south wester target area of Eastmain Léran source: Source IOS Geoscientifiques Inc**

<sup>1</sup> ASX Announcement – “Maiden Drill Program Hits Nickel-Copper Sulphides at Wapatik” - 30/06/2022

<sup>2</sup> ASX Announcement – “Maiden Drill Program Commences at Wapatik Project” – 25/5/2022

<sup>3</sup> ASX Announcement – “Completion of Northern Lights Transaction” – 2/12/2021

<sup>4</sup>ASX Announcement – “Tarku Ground EM Program Delivers Multiple Shallow Conductors” – 9/6/2022

**Significant Changes in the State of Affairs**

At the Company's Annual General Meeting held on 29 October 2021, shareholders approved the acquisition of a 75% interest Northern Lights Minerals Pty Ltd, an Australian proprietary company with mining claims and the rights to acquire significant further claims in the Upper Eastmain Greenstone Belt located in Quebec, Canada. Completion of the acquisition occurred on 1 December 2021 and the consideration shares were issued on 28 January 2022.

On 29 October 2021, the Company issued 4,750,000 options exercisable at \$0.35 each expiring 29 October 2024 to directors and management.

On 25 November 2021, the Company completed a placement raising \$4 million (before costs) by the issue of 20,000,000 ordinary fully paid shares at \$0.20 each.

On 28 January 2022, the Company issued 5,000,000 ordinary fully paid shares for the acquisition of a 75% interest in Northern Lights Minerals Pty Ltd. The shares are subject to voluntary escrow until 1 December 2022.

On 3 May 2022, the Company issued 3,700,000 ordinary fully paid shares on exercise of options by directors raising \$1.085 million.

Other than stated above, no significant changes in the consolidated group's state of affairs occurred during the year.

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

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**Events Subsequent to the End of the Reporting Period**

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

**Likely Developments and Expected Results of Operations**

Likely developments in the operations of the consolidated group and the expected results of those operations in future years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

**Environmental Regulation**

The consolidated group is subject to environmental regulations under the laws of the countries in which it undertakes exploration activities and ensures that it complies with all applicable regulations when carrying out exploration works.

**Dividends**

No dividends were paid or declared since the start of the year.

**Options**

The Company has the following options on issue as at the date of the Directors' Report.

Expiry Date	Exercise price	Number of Securities	
		2022	2021
7 May 2022	\$0.25	- <sup>1</sup>	1,500,000
7 May 2022	\$0.30	- <sup>2</sup>	1,250,000
7 May 2022	\$0.35	- <sup>3</sup>	1,250,000
29 October 2024	\$0.35	4,750,000	-
25 November 2024	\$0.35	5,000,000	-
<b>Total</b>		<u>9,750,000</u>	<u>4,000,000</u>

<sup>1</sup> 1,500,000 options were exercised during the year ended 30 June 2022.

<sup>2</sup> 1,200,000 options were exercised during the year ended 30 June 2022.

<sup>3</sup> 1,000,000 options were exercised during the year ended 30 June 2022.

Option holders do not have any right, by virtue of the options, to participate in any share issue of the Company or any related body corporate.

**Directors' Interests in Shares and Options of the Company**

As at the date of this report, the directors' interest in shares and options of the Company were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
Gary Lawler	2,000,000	1,500,000
Michael O'Keeffe	5,150,000	1,500,000
Peter Ruse	2,050,340	1,500,000

**Corporate Governance**

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Company support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. The Company's corporate governance statement is contained in the annual report.

**Indemnification of Officers**

The Company has, during or since the end of the year, in respect of any person who is or has been an officer of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Premiums paid are not disclosed because disclosure is prohibited by the insurance contract.



**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

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**Indemnification of Auditors**

To the extent permitted by law, the parent entity has agreed to indemnify the auditors, BDO Audit (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO Audit (WA) Pty Ltd during or since year-end.

**Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

**Non-Audit Services**

There were no fees paid or payable to BDO Audit (WA) Pty Ltd for non-audit services during the year ended 30 June 2022.

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**DIRECTORS' REPORT**  
**REMUNERATION REPORT (AUDITED)**

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This report outlines the remuneration arrangements in place for directors and executives of the Company.

**Remuneration Policy**

The remuneration policy of the Company has been designed 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's policy for determining the nature and amount of remuneration for board members and other senior executives of the Group is as follows:

The remuneration policy setting out the terms and conditions of any executive director was developed by the Board.

All senior executives will be subject to an annual performance evaluation against an established set of performance targets which are aligned to overall business goals and the Company's requirement of the position. Performance pay components of executives' packages are dependent on the outcome of the evaluation.

Remuneration packages for executive directors and other senior executives include an appropriate balance of fixed remuneration and performance-based remuneration. Fixed remuneration takes into account the Company's obligations at law and labour market conditions, and is relative to the scale of the Company's business.

Non-executive directors are remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity). Levels of fixed remuneration for non-executive directors reflect the time commitment and responsibilities of the role.

Remuneration and other terms of employment for the executive director and other senior executives have been formalised in service agreements as follows:

The Company has entered into an executive service agreement with executive director, Mr Peter Ruse. The terms of the service agreement are set out as follows:

- Commencement date: 26 March 2018
- Term: no fixed
- Fixed remuneration: \$150,000 per annum (revised 1 February 2022)
- Termination for cause: no notice period
- Termination without cause: three month notice period

The Company has entered into an agreement with non-executive chairman, Mr Gary Lawler. The terms of the agreement are set out as follows:

- Commencement date: 15 October 2018
- Term: no fixed
- Fixed remuneration: \$82,500 per annum (revised 1 February 2022)
- Termination for cause: no notice period
- Termination without cause: no notice period

The Company has entered into an agreement with non-executive director, Mr Michael O'Keeffe. The terms of the agreement are set out as follows:

- Commencement date: 9 October 2018
- Term: no fixed
- Fixed remuneration: \$62,500 per annum (revised 1 February 2022)
- Termination for cause: no notice period
- Termination without cause: no notice period

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by shareholders from time to time which current stands at \$400,000 per annum.

The Board undertakes an annual review of its performance and may exercise discretion in relation to approving incentives, bonuses and options.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

**Performance-based remuneration**

The Company currently has options on issue to Directors set out elsewhere in this report.

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT  
REMUNERATION REPORT (AUDITED)**

**Key management personnel compensation**

Details of the nature and amount of emolument paid for each director and executive of Mont Royal Resources Limited for the year ended 30 June 2022 are set out below:

	Primary Benefits			Post Employment		Share Based Payments	Other Benefits	TOTAL	Options Based
	Salary & Fees	Cash Bonus	Non-Monetary	Super-annuation	Retirement Benefits	Options			
<b>Directors</b>	\$	\$	\$	\$	\$	\$	\$	\$	%
<b>2022</b>									
G Lawler	66,250	-	-	6,625	-	342,234	-	415,109	82
M O'Keeffe	50,189	-	-	5,019	-	342,234	-	397,443	86
P Ruse	132,500	-	-	-	-	342,234	-	474,734	72
<b>Total</b>	<b>248,939</b>	-	-	<b>11,644</b>	-	<b>1,026,702</b>	-	<b>1,287,286</b>	<b>80</b>
<b>2021</b>									
G Lawler	60,000	-	-	5,700	-	-	-	65,700	-
M O'Keeffe	45,662	-	-	4,338	-	-	-	50,000	-
P Ruse	102,500	-	-	-	-	-	-	102,500	-
<b>Total</b>	<b>208,162</b>	-	-	<b>10,038</b>	-	-	-	<b>218,200</b>	-

**Remuneration Options**

During the year ended 30 June 2022, 4,500,000 options were issued as part of director remuneration (30 June 2021: Nil).

During the year ended 30 June 2021 no remuneration options were forfeited, expired or exercised by the directors.

During the year ended 30 June 2022, 3,700,000 remuneration options were exercised by the directors and a further 300,000 remuneration options expired (30 June 2021: Nil).

**Shareholdings by Directors**

2022	Balance 01/07/21 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised	Net Other Change (No. of Shares)	Balance 30/06/22 (No. of Shares)
G Lawler	700,000	-	1,000,000	300,000	2,000,000
M O'Keeffe	2,150,000	-	2,000,000	1,000,000	5,150,000
P Ruse	1,150,240	-	700,000	200,000	2,050,240
<b>Total</b>	<b>4,000,240</b>	-	<b>3,700,000</b>	<b>1,500,000</b>	<b>9,200,240</b>

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT  
REMUNERATION REPORT (AUDITED)**

**Options Holdings by Directors**

2022	Balance 01/07/21 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Acquired	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/22 (No. Options) (Vested and exercisable)
G Lawler	1,000,000	1,500,000	-	(1,000,000)	-	1,500,000
M O'Keeffe	2,000,000	1,500,000	-	(2,000,000)	-	1,500,000
P Ruse	1,000,000	1,500,000	-	(700,000)	(300,000)	1,500,000
<b>Total</b>	<b>4,000,000</b>	<b>4,500,000</b>	<b>-</b>	<b>(3,700,000)</b>	<b>(300,000)</b>	<b>4,500,000</b>

The following table lists the inputs to the models used for the valuation of the options issued during the year:

	<b>Directors and management</b>
Number of options	4,500,000
Fair value at measurement date (cents)	\$0.228
Dividend yield (%)	Nil
Expected volatility (%)	90%
Risk free rate (%)	1.17%
Expected life of option	3
Share price (cents)	\$0.385
Exercise price (cents)	\$0.35
Model used	Black - Scholes
Value of options	\$1,026,702

End of remuneration report (audited).

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

  
Peter Ruse  
Executive Director  
22 September 2022

## DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF MONT ROYAL RESOURCES LIMITED

As lead auditor of Mont Royal Resources Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mont Royal Resources Limited and the entities it controlled during the period.



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth, 22 September 2022



**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Interest revenue		784	8,776
<b>Expenses</b>			
Corporate	3	(954,955)	(648,034)
Share-based payments expense	13	(1,083,742)	(55,000)
Exploration expenditure expensed		-	(7,156)
Foreign exchange gain/(loss)		(14,246)	-
<b>Loss before tax</b>		<u>(2,052,159)</u>	<u>(710,190)</u>
Income tax expense	4	-	-
<b>Loss for the year</b>		<u><b>(2,052,159)</b></u>	<u><b>(701,414)</b></u>
<b>Other comprehensive income</b>			
Exchange difference on translation of foreign controlled entities		97,380	6,969
<b>Total comprehensive loss for the year attributable to the members</b>		<u><b>(1,954,779)</b></u>	<u><b>(694,445)</b></u>
<i>Loss for the year attributable to:</i>			
Members of the parent entity		(2,052,159)	(701,414)
Non-controlling interests		-	-
		<u>(2,052,159)</u>	<u>(701,414)</u>
<i>Total comprehensive loss for the year attributable to:</i>			
Members of the parent entity		(1,969,368)	(701,414)
Non-controlling interests		14,589	-
		<u>(1,954,779)</u>	<u>(701,414)</u>
Loss per share attributable to the shareholders of the Company arises from:			
Basic and diluted loss per share (cents per share)	18	(3.89)	(1.86)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	4,386,497	2,468,619
Other receivables	6	711,714	7,457
Prepayments		134,598	17,970
<b>TOTAL CURRENT ASSETS</b>		<u>5,232,809</u>	<u>2,494,046</u>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	8	4,350,267	461,861
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,350,267</u>	<u>461,861</u>
<b>TOTAL ASSETS</b>		<u>9,583,076</u>	<u>2,955,907</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	95,167	26,367
Income tax payable		62,687	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>157,854</u>	<u>26,367</u>
<b>TOTAL LIABILITIES</b>		<u>157,854</u>	<u>26,367</u>
<b>NET ASSETS</b>		<u>9,425,222</u>	<u>2,929,540</u>
<b>EQUITY</b>			
Issued capital	10	11,086,502	5,263,448
Reserves	11	2,249,487	122,622
Accumulated losses		(4,508,689)	(2,456,530)
Total parent entity interest		8,827,300	2,929,540
Non-controlling interest		597,922	-
<b>TOTAL EQUITY</b>		<u>9,425,222</u>	<u>2,929,540</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$	Non-controlling interest \$	Total \$
<b>Consolidated Group</b>						
Balance at 1 July 2021	5,263,448	122,622	(2,456,530)	2,929,540	-	2,929,540
Loss for the year	-	-	(2,052,159)	(2,052,159)	-	(2,052,159)
Other comprehensive income	-	82,791	-	82,791	14,589	97,380
Total comprehensive loss for the year	-	82,791	(2,052,159)	(1,969,368)	14,589	(1,954,779)
<i>Equity transactions</i>						
Issue of shares	6,999,636	-	-	6,999,636	-	6,999,636
Capital raising costs	(1,176,582)	960,332	-	(216,250)	-	(216,250)
Share-based payments	-	1,083,742	-	1,083,742	-	1,083,742
Non-controlling interest recognised on current period acquisition	-	-	-	-	583,333	583,333
<b>Balance at 30 June 2022</b>	<b>11,086,502</b>	<b>2,249,487</b>	<b>(4,508,689)</b>	<b>8,827,300</b>	<b>597,922</b>	<b>9,425,222</b>
	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$		
<b>Consolidated Group</b>						
Balance at 1 July 2020	5,208,448	115,653	(1,755,116)	3,568,985		
Loss for the year	-	-	(701,414)	(701,414)		
Other comprehensive income	-	6,969	-	6,969		
Total comprehensive loss for the year	-	6,969	(701,414)	(694,445)		
<i>Equity transactions</i>						
Share based payments	55,000	-	-	55,000		
<b>Balance at 30 June 2021</b>	<b>5,263,448</b>	<b>122,622</b>	<b>(2,456,530)</b>	<b>2,929,540</b>		

*The above consolidated statement of change in equity should be read in conjunction with the accompanying notes.*

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		784	8,776
Payments to suppliers and employees		(977,886)	(703,186)
Net cash used in operating activities	12	<u>(977,102)</u>	<u>(694,410)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation expenditure		(1,973,770)	(454,890)
Net cash used in investing activities		<u>(1,973,770)</u>	<u>(454,890)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		5,085,000	-
Payments for share issue costs		(216,250)	-
Net cash from financing activities		<u>4,868,750</u>	<u>-</u>
Net increase/(decrease) in cash held		1,917,878	(1,149,300)
Cash and cash equivalents at the beginning of the year		2,468,619	3,617,919
<b>Cash and cash equivalents at 30 June</b>	5	<b><u>4,386,497</u></b>	<b><u>2,468,619</u></b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**1. CORPORATE INFORMATION**

Mont Royal Resources Limited is a public company limited by shares incorporated on 26 March 2018 and domiciled in Australia.

These consolidated financial statements and notes represent Mont Royal Resources Limited and its controlled entities Mont Royal Exploration Australia Pty Ltd and Mont Royal Resources Canada Inc. (together 'Consolidated Group', 'Group').

The Group is principally engaged in the business of mineral exploration in Canada. The registered office and principal place of business of the Company is, Level 8, 2 Bligh Street, Sydney NSW 2000.

The consolidated financial statements of the Group for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 22 September 2022.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(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 Company is in Australian dollars.

**(b) Statement of compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

**(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. Details of controlled entities are contained in Note 7.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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 2021. 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 year ended 30 June 2022. 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.



**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**(e) Revenue recognition**

*Interest*

Revenue is recognised as interest accrues using the 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) Other receivables**

Other receivables are recognised and carried at amortised cost, less any allowance for expected credit losses.

The Company is entitled to a refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec and to a mining duties credit, which are recorded against the exploration and evaluation expenditure.

**(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.

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**(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.

**(k) Share based payments**

Equity settled share-based compensation benefits are provided to employees (directors). The costs of equity-settled transactions are measured at fair value on grant date. 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 cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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.

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**(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.

**(o) Foreign Currency Transactions and Balances**

*Functional and presentation currency*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. All figures presented in the financial report have been rounded to the nearest dollar.

*Transaction and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

*Controlled entities*

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed. The functional currency of the subsidiary incorporated in the Canada (refer Note 6) is the Canadian Dollar (CAD).

**(p) 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.

**(q) Earnings/(Loss) per share**

*(i) Basic Earnings/(Loss) per share*

Basic earnings/(loss) per share is determined by dividing the operating profit/(loss) after income tax attributable to members of Mont Royal Resources Limited by the weighted average number of ordinary shares outstanding during the financial year.

*(ii) Diluted Earnings/(Loss) per share*

Diluted earnings/(loss) per share adjusts the amounts used in the determination of basic earnings/(loss) per share by taking into account unpaid amounts on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

**(r) Asset acquisition**

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisition-related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value at the acquisition date.

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**(s) 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 judgement: Capitalised Exploration Expenditure*

Exploration and evaluation costs have been capitalised on the basis that the Group 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.

*Key judgement: Valuation of the refundable duties credit for losses and the refundable tax credit for resources*

The refundable mining duties credit and the refundable tax credit for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources, the E&E assets and expenses, and the income tax expenses in future periods.

The amounts recognized in the financial statements are derived from the Company's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Company's financial position and its financial performance and cash flows.

*Key judgement: Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. CORPORATE EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Corporate expenses consist of:		
- Directors' fees	260,583	218,200
- Compliance expenses	274,532	144,121
- Legal fees	199,413	87,647
- Other	220,427	198,066
<b>Total corporate expenses</b>	<u>954,955</u>	<u>648,034</u>

**4. INCOME TAX EXPENSE**

The prima facie tax on loss before income tax is reconciled to the income tax as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax	(2,052,159)	(701,414)
Income tax	(609,558)	(210,424)
Add back:		
Share based payment	325,123	16,500
Accruals	1,500	589
Capital raising costs	(44,300)	(31,325)
Adjustments in respect of income tax of previous year	3,879	33,133
Capitalised exploration immediately deductible	(172,123)	(138,558)
Future income tax benefit not brought to account	495,479	330,085
<b>Income tax expense</b>	<u>-</u>	<u>-</u>

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Deferred tax assets:		
Capital raising costs	83,225	93,976
Accruals	8,400	6,900
Carry forward tax losses	1,222,401	673,061
	<u>1,314,026</u>	<u>773,937</u>
Deferred tax liabilities:		
Capitalised exploration costs	(286,762)	(138,558)
	<u>(286,762)</u>	<u>(138,558)</u>
Net deferred tax asset position not brought to account	<u>(1,027,264)</u>	<u>(635,379)</u>
Total	<u>-</u>	<u>-</u>

**5. CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	<u>4,386,497</u>	<u>2,468,619</u>

**6. OTHER RECEIVABLES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Tax credit and mining rights receivable	614,031	-
GST/QST receivable	96,445	6,219
Other	1,238	1,238
Total	<u>711,714</u>	<u>7,457</u>



**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**7. INVESTMENT IN SUBSIDIARIES**

Interests are held in the following subsidiary companies:

Name	Principal Activity	Country of Incorporation	Ownership Interest 2022	Ownership Interest 2021
Mont Royal Exploration Australia Pty Ltd	Mineral Exploration	Australia	100%	100%
Mont Royal Resources Canada Inc	Mineral Exploration	Canada	100%	100%
Mont Royal Resources Quebec Inc <sup>1</sup>	Mineral Exploration	Canada	100%	-
Northern Lights Minerals Pty Ltd <sup>2</sup>	Mineral Exploration	Canada	75%	-
1256137 BC Ltd <sup>2</sup>	Mineral Exploration	Canada	75%	-

<sup>1</sup> Incorporated 17 August 2021

<sup>2</sup> Acquired 1 December 2021

**8. EXPLORATION AND EVALUATION EXPENDITURE**

	2022 \$	2021 \$
Balance at the beginning of the year	461,861	-
Exploration and evaluation expenditure incurred during the year	1,991,601	461,861
Canadian exploration tax credit offset during the year	(614,031)	-
Acquisition of Northern Lights Minerals Pty Ltd (Note 23)	1,750,000	-
Non-controlling interest in Northern Lights Minerals Pty Ltd	597,922	-
Foreign currency translation movement	162,914	-
Balance at the end of the year	<u>4,350,267</u>	<u>461,861</u>

The value of the exploration tenements carried forward is dependent upon:

- (a) The continuance of the Consolidated Entity's rights to tenure of the area of interest;
- (b) The results of future exploration; and

The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

**9. TRADE AND OTHER PAYABLES**

	2022 \$	2021 \$
<b>Current</b>		
Trade payables and accruals	<u>95,167</u>	<u>26,367</u>

**10. ISSUED CAPITAL**

**(a) Issued Capital**

	2022 \$	2021 \$
63,335,951 (2021: 37,866,715) fully paid ordinary shares	<u>11,086,502</u>	<u>5,263,448</u>

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**(b) Movement in ordinary share capital of the Company:**

Date	Details	No. of Shares	\$
01/07/2020	Opening balance	37,690,275	5,208,448
07/01/2021	Issue of shares to consultants	186,440	55,000
30/06/2021	Closing balance	37,866,715	5,263,448
25/11/2021	Placement	20,000,000	4,000,000
	Cost of capital raising	-	(1,176,582) <sup>1</sup>
01/12/2021	Acquisition instalment payment for Focus Graphite (Note 13(b))	459,236	164,636
01/12/2021	Acquisition of Northern Lights Minerals Pty Ltd (Note 23)	5,000,000	1,750,000
04/05/2022	Directors' options exercise	3,700,000	1,085,000
30/06/2022	Closing balance	67,035,951	11,086,502

<sup>1</sup> Amount includes broker options issued (refer Note 13(a)).

**(c) Capital risk management**

The Company does not have a defined share buy-back plan.

No dividends will be paid in 2022 (2021: Nil).

There is no current intention to incur further debt funding on behalf of the Company as on-going expenditure will be funded via cash reserves or equity.

The Company is not subject to any externally imposed capital requirements.

**11. RESERVES**

**(a) Share based payments reserve**

	2022 \$	2021 \$
Share based payments reserve	2,159,727	115,653

**(b) Foreign currency translation reserve**

	2022 \$	2021 \$
Foreign currency translation reserve	89,760	6,969

**(c) Movement in options**

Date	Details	No. of Unlisted Options	Fair Value of Options Granted	Exercise Price	Expiry Date
01/07/2020	Opening balance	4,000,000			
30/06/2021	Closing balance	4,000,000			
01/07/2021	Opening balance	4,000,000			
29/10/2021	Director and management	4,750,000	\$0.228	\$0.35	29/10/2024
25/11/2021	Corporate advisor	5,000,000	\$0.192	\$0.35	25/11/2024
04/05/2022	Directors' options exercise	(3,700,000)			
07/05/2022	Options lapse	(300,000)			
30/06/2022	Closing balance	9,750,000			

**(d) Nature and purpose of reserves**

*Share based payments reserve*

The share based payments reserve is the value of equity benefits provided to directors, employees and consultants by the Company as part of their remuneration.

*Foreign currency translation reserve*

The foreign currency translation reserve records exchange differences arising on translation of foreign subsidiary accounts

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**12. NOTES TO STATEMENT OF CASH FLOWS**

**(a) Reconciliation of loss after income tax to net cash from operating activities**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loss for the year	(2,052,159)	(701,414)
Share based payment expense	1,083,742	55,000
Movement in assets and liabilities:		
(Increase)/Decrease in other receivables	(2,568)	2,028
(Increase)/Decrease in other assets	(116,628)	(3,609)
Increase/(Decrease) in trade and other payables	47,826	(46,415)
Increase/(Decrease) in tax payable	62,685	-
Net cash used in operating activities	<u>(977,102)</u>	<u>(694,410)</u>

**(b) Non-cash investing and financing activities**

Other than share-based payment transactions disclosed in note 13 and 23, there were no non-cash investing and financing activities during the year ended 30 June 2022 and 30 June 2021.

**13. SHARE BASED PAYMENTS**

**(a) Options**

The number and weighted average exercise prices of share options are as follows:

	<b>Weighted average exercise price 2022</b>	<b>Number of Options 2022</b>	<b>Weighted average exercise price 2021</b>	<b>Number of Options 2021</b>
Outstanding at 1 July	\$0.30	4,000,000	\$0.30	4,000,000
Granted during the period	\$0.35	9,750,000	-	-
Exercised during the period	\$0.29	(3,700,000)	-	-
Lapsed during the period	\$0.34	(300,000)	-	-
Outstanding at 30 June	<u>\$0.35</u>	<u>9,750,000</u>	<u>\$0.30</u>	<u>4,000,000</u>
Exercisable at 30 June	<u>\$0.35</u>	<u>9,750,000</u>	<u>\$0.30</u>	<u>4,000,000</u>

The options outstanding at 30 June 2022 have an exercise price of \$0.35 and a weighted average remaining contractual life of 2.5 years.

The following table lists the inputs to the models used for the valuation of the options issued during the year:

	<b>Directors and management</b>	<b>Lead Manager</b>
Number of options	4,750,000	5,000,000
Fair value at measurement date (cents)	\$0.228	\$0.192
Dividend yield (%)	Nil	Nil
Expected volatility (%)	90%	90%
Risk free rate (%)	1.17%	1.03%
Expected life of option	3	3
Share price (cents)	\$0.385	\$0.34
Exercise price (cents)	\$0.35	\$0.35
Model used	Black - Scholes	Black - Scholes
Value of options	\$1,083,742	\$960,332
Amount expensed during year	\$1,083,742	-
Capital raising cost recognized during year	-	\$960,332

**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
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**(b) Shares**

On 1 December 2021 the Company issued 459,236 fully paid ordinary shares with a fair value of \$164,636 (C\$150,000) as part consideration towards the C\$500,000 second instalment payment for the Focus Assets, with the balance paid in cash (Refer note 10(b)).

**14. CONTINGENT LIABILITIES, LEASE COMMITMENTS AND CONTINGENT ASSETS**

As at 30 June 2022 there were no contingent liabilities or contingent assets.

**(a) Exploration commitments**

At 30 June 2022, the Group has the following commitments relating to exploration expenditure incurred in prospecting the licensed area of the group's tenements.

	<b>2022</b>	<b>2021</b>
	\$	\$
Within one year	53,761	45,000
After one year but not more than five years	50,722	-
Longer than five years	-	-
	104,483	45,000

**(b) Earn-in to Wapatik Gold-Copper Project**

On 22 September 2020, the Company announced that it had 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"). The 70% earn-in is comprised of two earn-in options. The first option is described below.

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

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

<sup>1</sup> These amounts have been incurred as at 30 June 2022.

**(c) Northern Lights Minerals Projects**

On 1 December 2021, the Company acquired a 75% interest in Northern Lights Minerals Pty Ltd ("Northern Lights"). Northern Lights has the right to acquire certain assets pursuant to the following agreements:

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

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Focus Agreement

Pursuant to the Focus Agreement, Northern Lights via its wholly owned subsidiary has the right to acquire a 100% interest in the Focus Assets in consideration for the payments referred to below which are additional to the payment of C\$1,000,000 of which Northern Lights and the Company have already paid C\$500,000 each:

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

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

Dios Agreement

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

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

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

**15. RELATED PARTY TRANSACTIONS**

The Group's main related parties are as follows:

*a. Subsidiaries*

Interests in subsidiaries are set out in note 7.

*b. Key management personnel*

Disclosures relating to key management personnel are set out in note 16.

*c. Transactions with related parties:*

On 29 October 2021, the Company issued 4,500,000 options exercisable at \$0.35 each expiring 29 October 2024 to directors (refer Note 13(a)) (30 June 2021: Nil).

**16. KEY MANAGEMENT PERSONNEL DISCLOSURES**

*Compensation:*

The aggregate compensation made to directors and other members of key management personnel of the consolidated group is set out below:

	<b>Consolidated 2022 \$</b>	<b>Consolidated 2021 \$</b>
Short term employee benefits	260,583	218,200
Share-based payments	1,026,703	-
Aggregate compensation	1,287,286	218,200

**17. FINANCIAL RISK MANAGEMENT**

The Group's financial instruments consist mainly of deposits with banks, and accounts receivable and payables.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments is cash flow interest rate risk and liquidity risk. Other minor risks are either summarised below or disclosed at Note 10 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

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**(a) Cash flow interest rate risk**

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

The Group has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Group does not have a formal policy in place to mitigate such risks.

The following table sets out the carrying amount by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. There were no fixed interest rate financial assets or liabilities held by the Group.

<b>2022</b>	<b>Non Interest Bearing \$</b>	<b>Floating Interest Rate \$</b>	<b>Total \$</b>	<b>Weighted Average Effective Interest Rate %</b>
Financial Assets				
- Cash and cash equivalents	16,248	4,370,249	<b>4,386,497</b>	0.02
Total Financial Assets	16,248	4,370,249	<b>4,386,497</b>	0.02
Financial Liabilities				
- Trade creditors	(63,913)	-	<b>(63,913)</b>	
Total Financial Liabilities	(63,913)	-	<b>(63,913)</b>	
Net Financial Assets / (Liabilities)	(47,665)	4,370,249	<b>4,322,584</b>	0.02
<b>2021</b>	<b>Non Interest Bearing \$</b>	<b>Floating Interest Rate \$</b>	<b>Total \$</b>	<b>Weighted Average Effective Interest Rate %</b>
Financial Assets				
- Cash and cash equivalents	468,618	-	<b>468,618</b>	-
- Deposits held	-	2,000,000	<b>2,000,000</b>	0.35%
Total Financial Assets	468,618	2,000,000	<b>2,468,618</b>	0.35%
Financial Liabilities				
- Trade creditors	(867)	-	<b>(867)</b>	-
Total Financial Liabilities	(867)	-	<b>(867)</b>	-
Net Financial Assets / (Liabilities)	467,751	2,000,000	<b>2,467,751</b>	0.35%

*Interest rate sensitivity*

At 30 June 2022, if interest rates had changed by 10% during the entire year with all other variables held constant, profit/(loss) for the year and equity would have been \$78 lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 10% decrease sensitivity would move short term interest rates at 30 June 2022 from around 0.01% to 0.009% (10% increase: 0.011%) representing a 1 basis points shift. This would represent one decrease which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to move down than up in the coming period.

Based on the sensitivity analysis, only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

**(b) Liquidity risk**

The Company manages liquidity risk by maintaining sufficient cash reserves and through the continuous monitoring of budgeted and actual cash flows.

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	<b>2022</b>	<b>2021</b>
	\$	\$
Contracted maturities of liabilities at 30 June		
Payables		
- less than 30 days	63,913	867

**(c) Net fair values**

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

**(d) Credit Risk**

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The Group's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position. The majority of cash and cash equivalents is held with one Australian Bank which has an AA- long-term credit rating from Standard and Poor's.

Wherever possible, the Group trades only with recognised, credit worthy third parties. There are no significant concentrations of credit risk within the Group. Since the Group trades only with recognised third parties, there is no requirement for collateral.

**18. LOSS PER SHARE**

	<b>2022</b>	<b>2021</b>
	\$	\$
Basic and diluted loss per share (cents)	(3.89)	(1.86)
Loss used in calculating basic and diluted loss per share	(2,052,159)	(701,414)
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	52,796,326	37,779,664

**19. SEGMENT INFORMATION**

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separate identifiable business segments.

The operations and assets of Mont Royal Resources Limited and its controlled entities are employed in exploration activities relating to minerals in Canada.

**20. AUDITOR'S REMUNERATION**

The auditor of Mont Royal Resources Limited is BDO Audit (WA) Pty Ltd.

	<b>2022</b>	<b>2021</b>
	\$	\$
Amounts paid or payable to BDO Audit (WA) Pty Ltd for:		
Audit services	42,295	42,475

**21. EVENTS AFTER THE REPORTING PERIOD**

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

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**MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. INFORMATION RELATING TO MONT ROYAL RESOURCES LIMITED (PARENT)**

	<b>2022</b>	<b>2021</b>
	\$	\$
Current assets	4,417,473	2,487,827
Total assets	8,812,512	2,942,718
Current liabilities	46,287	20,267
Total liabilities	46,287	20,267
Issued capital	11,086,502	5,263,448
Reserves	2,159,727	115,653
Accumulated losses	(4,480,004)	(2,456,650)
Loss of the parent entity	(2,023,354)	(701,415)
Total comprehensive loss of the parent entity	(2,023,354)	(701,415)

The parent entity has not entered into any guarantees, in relation to the debts of its subsidiary.

The parent entity has not entered into any commitments for expenditure as at the end of the financial year.

**23. ACQUISITION OF NORTHERN LIGHTS MINERALS PTY LTD**

On 1 December 2021, the Company acquired a 75% interest in Northern Lights Minerals Pty Ltd.

*Consideration*

As consideration for the acquisition, the Company agreed to issue the shareholders of Northern Lights (or its nominees) 5,000,000 fully paid ordinary shares which will be subject to voluntary escrow for 12 months.

*Accounting standard applied*

The acquisition of Northern Lights has been accounted for as an asset acquisition. The acquisition does not meet the definition of a business in accordance with AASB 3 Business Combinations. As such the acquisition has been accounted for as a share-based payment transaction whereby fair value of consideration is allocated to net identifiable asset acquired on a relative fair value basis.

The Company determined that they could not readily estimate the fair value of the asset acquired. The acquisition was measured in reference to the shares issued using market value of shares at acquisition date being \$0.35.

The fair value of the consideration paid and allocation to net identifiable assets is as follows:

		\$
<i>Fair value of consideration paid:</i>		
5,000,000 Ordinary Fully Paid Shares	1,750,000	
	<u>1,750,000</u>	
<i>Fair value of net identifiable assets acquired</i>		
Exploration and evaluation expenditure	2,333,333	
Non-controlling interest share	<u>(583,333)</u>	
	<u>1,750,000</u>	



**MONT ROYAL RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES**

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**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Mont Royal Resources Limited, I state that:

1. In the opinion of the directors:
  - (a) the financial statements and notes of the Consolidated Group for the financial year ended 30 June 2022 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Consolidated Group's financial positions as at 30 June 2022 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001*;
  - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(b); and
  - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and the chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

On behalf of the Board



Peter Ruse  
Executive Director  
22 September 2022

## INDEPENDENT AUDITOR'S REPORT

To the members of Mont Royal Resources Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Mont Royal Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Acquisition Accounting - Northern Lights

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 23 of the financial report, the group completed the acquisition of 75% of the issued capital in Northern Lights Minerals Pty Ltd during the year.</p> <p>The Group accounted for the transition as an asset acquisition, after consideration and assessment of AASB 3 Business Combinations ("AASB 3").</p> <p>The Group's accounting policies applied to asset acquisitions are detailed in Note 2(r) of the financial report.</p> <p>The accounting for this acquisition is a key audit matter due to the significant value of the acquisition and the significant judgements and assumptions made by management, including:</p> <ul style="list-style-type: none"> <li>• Determination of the purchase consideration for the acquisition;</li> <li>• Assessment of the fair value of the assets acquired and liabilities assumed; and</li> <li>• Determination that the acquisition did not meeting the definition of a business combination in accordance with AASB 3 and therefore constituted an asset acquisition.</li> </ul>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Reviewing key executed transaction documents to understand the key terms and conditions of the acquisition;</li> <li>• Evaluating management's determination of the accounting acquirer and whether the transaction constituted a business or asset acquisition;</li> <li>• Assessing the identification of assets acquired and liabilities assumed for completeness and management's assessment of the associated fair values;</li> <li>• Assessing management's calculation of the non-controlling interest arising at date of acquisition;</li> <li>• Verifying the transaction settlement date to supporting documentation;</li> <li>• Evaluating management's determination of the fair value of purchase consideration; and</li> <li>• Assessing the appropriateness of the related disclosures in Notes 2(r) and 23 to the financial report.</li> </ul>

## Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 8 to the financial report, the carrying value of the exploration and evaluation asset represents a significant asset of the Group.</p> <p>The Group's accounting policies and significant judgements applied to capitalised exploration and evaluation expenditure are detailed in Notes 2(j) and 2(s) of the financial report.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources ('AASB 6'), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts and circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Assessing whether rights to tenure of the Group's area of interest remained current at balance date;</li> <li>Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes;</li> <li>Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>Considering whether any facts or circumstances existed to suggest impairment testing was required; and</li> <li>Assessing the adequacy of the related disclosures in Notes 2(j), 2(s) and 8 to the Financial Report.</li> </ul>

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

#### Report on the Remuneration Report

##### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 10 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Mont Royal Resources Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

##### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO  


Jarrad Prue  
Director

Perth, 22 September 2022

**MONT ROYAL RESOURCES LIMITED  
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ASX ADDITIONAL INFORMATION**

**QUOTED SECURITIES**

**ORDINARY FULLY PAID SHARES**

**(i) DISTRIBUTION OF SHAREHOLDERS AS AT 20 SEPTEMBER 2022:**

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 – 1,000	25	3,113	0.00%
1,001 - 5,000	117	365,695	0.55%
5,001 - 10,000	82	686,970	1.02%
10,001 - 100,000	203	8,464,823	12.63%
100,001+	122	57,515,350	85.80%
	<b>549</b>	<b>67,035,951</b>	<b>100.00%</b>

The number of shareholdings held in less than marketable parcels is 43.

**(ii) TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES:**

The names of the twenty largest shareholders of ordinary fully paid shares are listed below:

NAME	NO OF ORDINARY SHARES HELD	% OF ISSUED SHARE CAPITAL
1 CIRCE POINT INVESTMENTS PTY LTD	5,000,000	7.46%
2 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,805,017	5.68%
3 BROWNNARROWS PTY LTD<EJM A/C>	2,150,000	3.21%
4 MR MICHAEL O'KEEFFE	2,000,000	2.98%
5 CITICORP NOMINEES PTY LIMITED	1,760,930	2.63%
6 PROSPECT AG TRADING PTY LTD <O'KEEFFE FAMILY A/C>	1,650,000	2.46%
7 HIGH PEAKS CAPITAL PTY LTD	1,350,240	2.01%
8 CITYSIDE INVESTMENTS PTY LTD	1,300,000	1.94%
9 MR BRIAN PETER BYASS	1,250,000	1.86%
10 EZR SYSTEMS PTY LTD	1,145,000	1.71%
11 FLUE HOLDINGS PTY LTD<BROMLEY SUPERANNUATION A/C>	1,000,000	1.49%
11 PARCENT HOLDINGS PTY LTD <G K LAWLER SUPER FUND A/C>	1,000,000	1.49%
11 METECH SUPER PTY LTD <METECH NO2 SUPER A/C>	1,000,000	1.49%
11 SML CONTRACTING PTY LTD	1,000,000	1.49%
11 MR GARY KENNETH LAWLER	1,000,000	1.49%
11 PROSPECT AG TRADING PTY LIMITED <O'KEEFFE FAMILY A/C>	1,000,000	1.49%
12 BNP PARIBAS NOMINEES PTY LTD BARCLAYS <DRP A/C>	950,000	1.42%
12 UNION SQUARE CAPITAL PTY LTD <ENDEAVOR A/C>	950,000	1.42%
13 QUARTZ MOUNTAIN MINING PTY LTD <BASS FAMILY A/C>	850,000	1.27%
13 METECH SUPER PTY LTD <METECH NO 2 SUPER FUND A/C>	850,000	1.27%
14 MR GEOFFREY JOHN FENNELL & MRS CARMEL ANN FENNELL<GEMICA SUPER FUND A/C>	806,928	1.20%
15 BAGBO PTY LTD	742,637	1.11%
16 PETER JAMES RUSE	700,100	1.04%
17 BJS ROBB PTY LTD	600,000	0.90%
17 A L R INVESTMENTS PTY LTD <ALR SUPERANNUATION A/C>	600,000	0.90%
18 ISEO PTY LTD <ISEO SUPER FUND A/C>	550,000	0.82%
18 MR DOMINIC OHANLON & MRS KAREN OHANLON <OHANLON SUPER A/C>	550,000	0.82%
19 OCEAN VIEW WA PTY LTD	500,000	0.75%
19 BFB HOLDINGS PTY LTD <BFB INVESTMENT A/C>	500,000	0.75%
19 CIRCE POINT PTY LTD <J R CRANSTON FAMILY A/C>	500,000	0.75%
19 EASTBOURNE DP PTY LTD <O'KEEFFE SUPER FUND A/C>	500,000	0.75%
20 MR ANDREW GRANTON BROWN	492,870	0.74%
<b>Totals</b>	<b>38,053,722</b>	<b>56.77%</b>

**MONT ROYAL RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
ASX ADDITIONAL INFORMATION**

**ASX ADDITIONAL INFORMATION (continued)**

**QUOTED SECURITIES (continued)**

**ORDINARY FULLY PAID SHARES (continued)**

**(iii) VOTING RIGHTS**

Article 15 of the Constitution specify that on a show of hands every member present in person, by attorney or by proxy shall have:

- (a) for every fully paid share held by him one vote; and
- (b) for every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares.

**(iv) SUBSTANTIAL SHAREHOLDERS**

Name	Ordinary Shares	
	No.	%
MICHAEL O'KEEFFE / PROSPECT AG TRADING PTY LTD / EASTBOURNE DP PTY LTD	5,150,000	7.68%
CIRCE POINT INVESTMENTS PTY LTD	5,000,000	7.46%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,805,017	5.68%
	13,955,017	20.82%

**UNQUOTED SECURITIES**

**(a) UNLISTED OPTIONS ON ISSUE**

Options exercisable at \$0.35 expiring 29 October 2024	4,750,000
Options exercisable at \$0.35 expiring 25 November 2024	5,000,000

**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.

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.

The following tenements are held at 30 June 2022:

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

**MONT ROYAL RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
CORPORATE GOVERNANCE STATEMENT**

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Mont Royal Resources Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Mont Royal Resources Limited has its corporate governance practices against the Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) published by the ASX Corporate Governance Council.

The 2022 corporate governance statement was approved by the Board on 22 September 2022 and is current as at 22 September 2022. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at [www.montroyalres.com/corporate-governance/](http://www.montroyalres.com/corporate-governance/).

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