



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

ACN: 625 237 658

**Annual Financial Report
For The Year Ended 30 June 2023**

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Gary Lawler (Non-Executive Chairman)
Peter Ruse (Executive Director)
Ronnie Beevor (Non-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 5
191 St Georges Terrace
Perth WA 6000

Investor Enquiries: 1300 288 664

AUDITOR

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga 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 2023.

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): 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): None.

Ronnie Beevor (Non-Executive Director) B.A. (Hons)(appointed 25 March 2023)

Mr Beevor has over 40 years' experience in investment banking and mining. He was Head of Investment Banking at Rothchild Australia between 1997 and 2002, and since has been Chair or a Non-Executive Director of a range of mining companies, both in Australia and internationally. Mr Beevor's extensive career as a company director includes serving on the boards of Riversdale Resources, which proved up the substantial Grassy Mountain metallurgical coal deposit in Alberta, Canada and was taken over by Hancock Prospecting for A\$800M in 2019, and Talison Lithium which acquired the Greenbushes lithium mine in WA and was taken over by Tianqi Lithium for C\$900M in 2013.

Mr Beevor holds an Honours degree in Philosophy, Politics and Economics from Oxford University, and qualified as a chartered accountant in London.

Other current directorships: Felix Gold Limited, Bannerman Energy Limited

Former directorships (last 3 years): None.

Michael O'Keeffe (Non-Executive Director) BAppSc (resigned 25 March 2023)

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).

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.

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

Directors Meetings

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2023 attended by each director:

	Number Eligible to Attend	Number Attended
Gary Lawler	6	6
Peter Ruse	6	6
Ronnie Beevor	2	2
Michael O'Keefe	4	4

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 exploration on Northern Lights Minerals Pty Ltd in the Upper Eastmain Greenstone Belt in Quebec, Canada.

Review of Operations

The consolidated loss of the consolidated group for the year amounted to \$820,331 (2022: \$2,052,159).

Mont Royal Resources (ASX:MRZ) is building a significant position in an underexplored greenstone belt in the James Bay area of Quebec, Canada, with the Company's Northern Lights and Wapatik projects, both strategically located in the lower and upper regions of the belt (Figure 1).

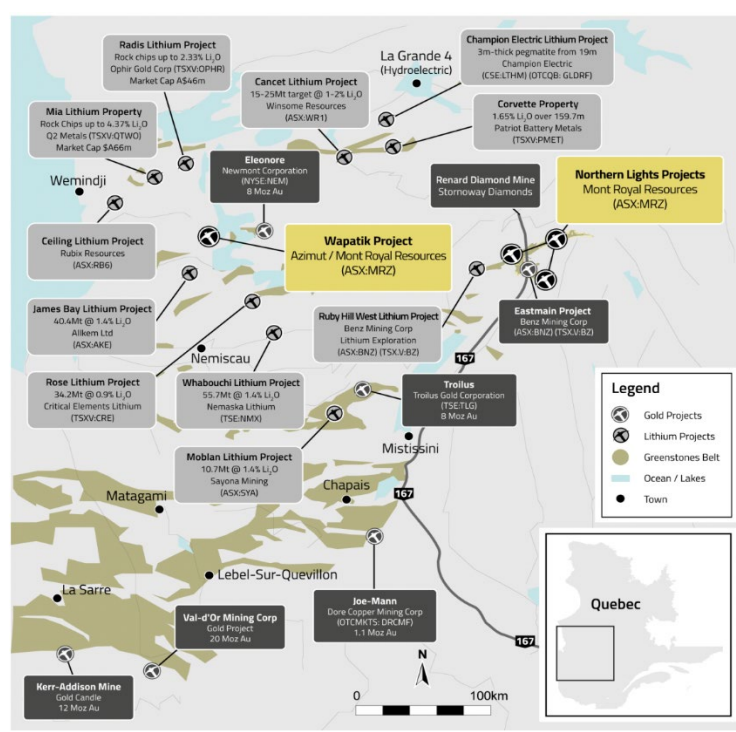


Figure 1: Project Locations

Northern Lights:

The Northern Lights Project is situated in the Upper Eastmain Greenstone belt, James Bay Region, Quebec. The Projects include, Northern Lights Assets (75% Owned), Eastmain Lèran Project (Option to own 75%), Dios Assets (JV to Earn in 70%) across a total land package of 536 km².

Copper Gold Drilling Program

During the second half of the Financial Year, The Company completed a diamond drilling program of 5 planned holes targeting (refer ASX Announcement 23rd March 2023) potential copper & gold extensions to historical exploration in the 1950's and 1970's. The program consisted of approximately 1,000m of drilling and was completed ahead of the scheduled time frame. No safety incidents nor mechanical issues were faced during the exploration program.

Bohier Project & Eastmain Lèran – Lithium Exploration and Prospecting program

Additional to the current drilling program, the Company commenced a critical metals exploration program to identify lithium pegmatites on the Bohier and Eastmain-Lèran projects.

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

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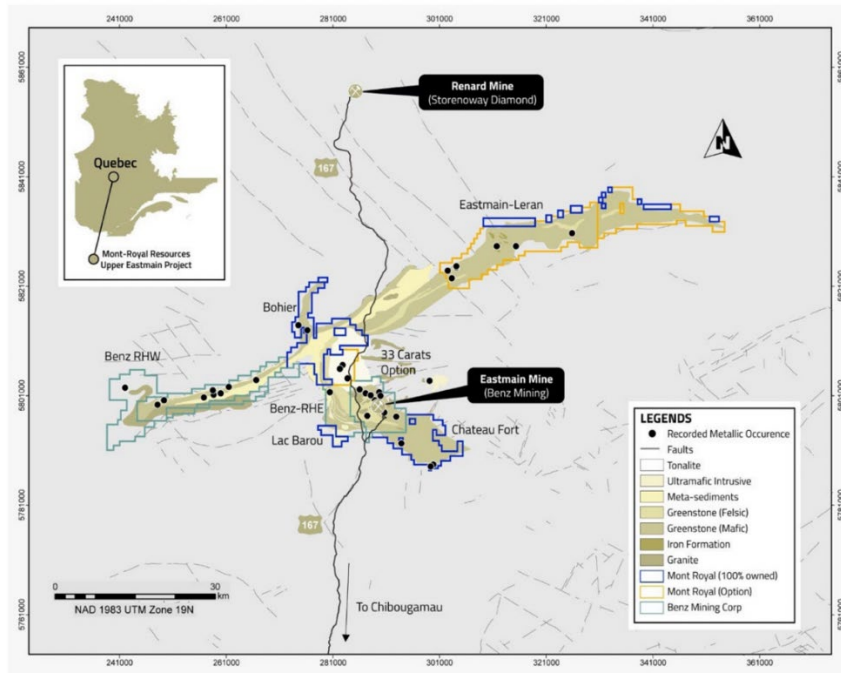


Figure 2: The upper Eastmain Greenstone Belt with Northern Lights Tenure, Eastmain Léran (Focus Graphite) and Dios optioned tenure

The Bohier mafic volcanics are part of the similar package that hosts Benz Mining’s Ruby Hill pegmatite. Additional pegmatites dykes were found less than a kilometre west of the Bohier Project (Refer ASX:BNZ ASX Release – 27 October 2022) and the dyke swarm could potentially extend onto the Bohier property.

This program is aimed at detailed mapping, logging, sampling of outcropping Wahemen granite. Results will be analysed to determine whether their chemical composition is compatible with lithium caesium tantalum (LCT) systems.

Summer 2023 surface exploration program

The Lithium prospecting program at Bohier and Eastmain Leran commenced in May. The Company was able to successfully complete its LIDAR survey ahead of this event and approximately 4 days of fieldwork before wildfire evacuation orders were received from the Quebec authorities. The program successfully recommenced in the second half of the calendar year and will include prospecting, rock sampling, and geological mapping, using the excellent data that was delivered from the property-scale LiDAR and orthophoto survey.

The objective of the surface program at Bohier (Figure 3) is to evaluate the dolent mafic volcanics, the same geological package that hosts Benz Mining’s Ruby Hill pegmatite, and the adjacent Bohier metasedimentary rocks. The geological mapping and rock sampling will be used to delineate drill targets and commence an immediate drilling program to follow up observations and data from the field.

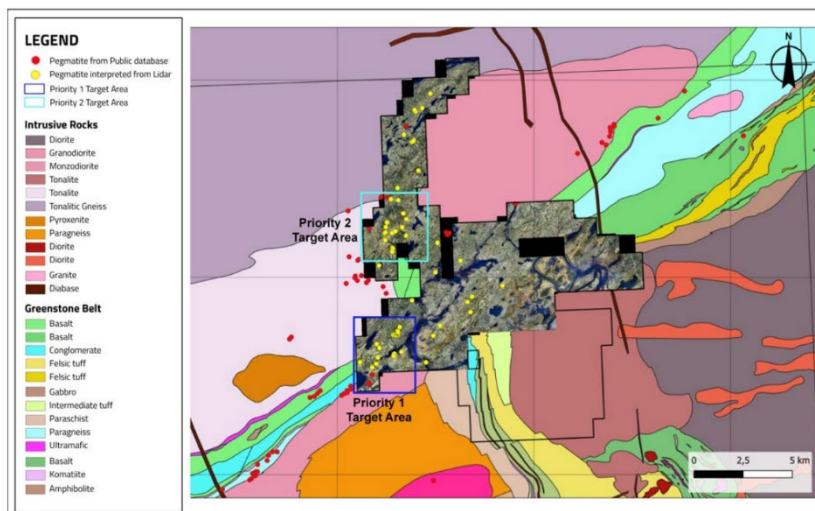


Figure 3: Geological map overlaid with results from Lidar survey analysis at Bohier Project

MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

Wapatik Project:

Wapatik is a 25-kilometre-long project comprising a single block of 220 claims (115 km²) in an area with excellent infrastructure, including road access and power lines. It covers a largely underexplored part of the Lower Eastmain greenstone belt of Archean age.

Phase 2 Diamond Drilling:

In the first half of the Financial Year, the Company completed the phase 2 drilling program at the Wapatik Project. The results demonstrated that Wapatik is in nickel-copper mineralised system hosted within the ultramafic intrusion, justifying the additional drilling program the Company undertook.

Phase 2 drilling returned the following results: [released 20/10/2022]

- WAP22-009: 1.16% Ni, 3.85% Cu over 0.8 m (from 152.0 m to 152.8 m)
- WAP22-007: 0.29% Ni, 0.25% Cu over 18.0 m (from 129.0 m to 147)
- WAP22-010: 0.27% Ni, 0.41% Cu over 15.75 m (from 60.0 m to 75.75 m)
- WAP22-008: 0.33% Ni, 0.35% Cu over 1.1 m (from 116.9 m to 118.0 m), and 0.34% Ni, 0.43% Cu over 1.71 m (from 129.54 m to 131.25 m)

Phase 3 Diamond Drilling:

During the Financial Year, the Company commenced and completed a drilling program (1,100 metres, 5 holes) to further evaluate the nickel-copper potential of the ultramafic body discovered in 2021 on the Property (see press releases of October 3 and October 19, 2022).

Phase 3 drilling returned the following encouraging results: [released 26/04/2023]

- WAP22-013: **0.15% Ni, 0.66% Cu, 0.012% Co, 7.18 g/t Ag over 3.3 m** (from 72.0 m to 75.3 m)
- WAP22-014: **0.20% Ni, 0.13% Cu, 0.017% Co, 0.78 g/t Ag over 21.5m** (from 125.5m -147.0 m)
 - o including **0.40 % Ni, 0.47% Cu, 0.025% Co, 2,46 g/t Ag over 2.0m**
 - o **0.52% Ni, 0.70% Cu, 0.020% Co, 3.27 g/t Ag over 8.0 m** (from 169.0 m to 177.0 m)
 - o including **1.34% Ni, 1.21% Cu, 0.050% Co, 4.76 g/t Ag over 1.1 m**
- WAP22-015: **0.22% Ni, 0.20% Cu, 0.018% Co, 0.97 g/t Ag over 7.5 m** (from 47.0 m to 54.5 m)

Nickel-copper mineralisation, encountered in 12 of the 15 holes, was delineated over a 750-metre strike length. The system remains entirely open at depth and on strike, and consists of two main horizons: a basal horizon along or close to the contact with metasediments or paragneiss and a middle horizon within the ultramafic intrusion.

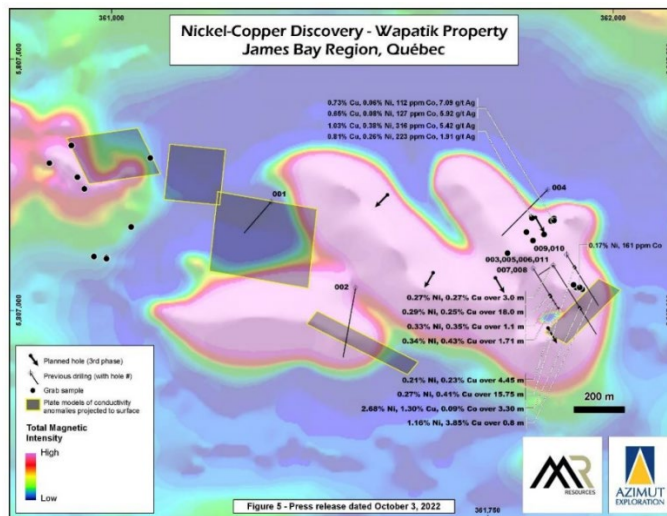


Figure 4: Completed and planned holes from phase 1-3 drilling programs Source: Azimut Exploration

Second Nickel-Copper-Bearing Intrusion at Wapatik

A focused prospecting program was completed in the Autumn/Fall 2022 at Wapatik which led to the discovery of a second new nickel-copper-bearing surface discovery 2 kilometers north of where the Company has been actively drilling. This field result is encouraging, further demonstrating the nickel-copper potential of the area, at a larger scale in the James Bay region. Follow-up on this second intrusion will consist of an electromagnetic survey to detect the presence of conductors that could be related to massive sulphides.

Maiden Lithium Prospection Program

Technical committee meetings between Mont Royal and Azimut Exploration discussed and approved a program to commence lithium exploration at the Wapatik Project. The Wapatik Project overlays several pegmatite dykes visible from the air in a geological environment. The project is situated 18 km north of the Allkem's James Bay Li project (Mineral Resource Estimate of 40.3Mt at 1.4% Li₂O and Ore Reserve of 37.2Mt at 1.3% Li₂O.; ref. Allkem Website).

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Corporate:

Focus Graphite Inc. Second Milestone Payment

During the Financial Year Mont Royal announced that it had completed the second milestone payment to Focus Graphite Inc. Northern Lights Minerals Pty Ltd ("NLM") holds rights to acquire a package of the Acquisition Assets pursuant to an existing agreement (Focus Agreement) in place with Focus Graphite Inc. (TSXV:FMS) (Focus Assets).

Operating and Financial Risks

The Group's activities have inherent risk and the Board is unable to provide certainty of the expected results of activities, or that any or all of the likely activities will be achieved. The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are detailed below:

Operational risks

The Company may be affected by various operational factors. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

The tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of the Company.

There can be no assurance that exploration of the Tenements, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit. In the event the Company successfully delineates economic deposits on any Tenement, it will need to apply for a mining lease to undertake development and mining on the relevant Tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for and if a mining lease is granted, it will also be subject to conditions which must be met.

Further capital requirements

The Company's projects may require additional funding in order to progress activities. There can be no assurance that additional capital or other types of financing will be available if needed to further exploration or possible development activities and operations or that, if available, the terms of such financing will be favourable to the Company.

The Company's activities are subject to Government regulations and approvals

The Company is subject to certain Government regulations and approvals. Any material adverse change in government policies or legislation in Quebec, Canada that affect mining, processing, development and mineral exploration activities, export activities, income tax laws, royalty regulations, government subsidiaries and environmental issues may affect the viability and profitability of any planned exploration or possible development of the Company's portfolio of projects.

Global conditions

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration activities, as well as on its ability to fund those activities. General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

Significant Changes in the State of Affairs

There were no significant changes in the consolidated group's state of affairs occurred during the year.

Events Subsequent to the End of the Reporting Period

On 15 August 2023, the Company completed a capital raising of \$2.209 million (before costs) by the issue of 13,812,267 ordinary shares at \$0.16 each. Under the terms of the lead broker mandate, the Company agreed to issue 3,000,000 options exercisable at \$0.35 expiring 3 years from date of issue to the lead manager, subject to shareholder approval.

MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

No other matter or circumstance has arisen since 30 June 2023 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	
		2023	2022
29 October 2024	\$0.35	4,750,000	4,750,000
25 November 2024	\$0.35	5,000,000	5,000,000
25 March 2026	\$0.30	1,500,000	-
Total		11,250,000	9,750,000

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
Peter Ruse	2,050,340	1,500,000
Ronnie Beevor	500,000	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.

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.

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

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 12.

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 2023. Fees paid or payable to BDO Canada LLP, which is a network firm of BDO Audit (WA) Pty Ltd for non-audit services during the year ended 30 June 2023 was \$61,135.

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

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
- 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: \$75,000 per annum plus superannuation
- Termination for cause: no notice period
- Termination without cause: no notice period

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

- Commencement date: 25 March 2023
- Term: no fixed
- Fixed remuneration: \$55,000 per annum plus superannuation
- 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.

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

Performance-based remuneration

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

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 2023 and 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				
Directors	\$	\$	\$	\$	\$	\$	\$	\$	%
2023									
G Lawler	75,000	-	-	7,875	-	-	-	82,875	-
P Ruse	150,000	-	-	-	-	-	-	150,000	-
R Beevor ¹	14,805	-	-	1,555	-	46,843	-	63,202	74
M O'Keeffe ²	44,463	-	-	1,485	-	-	-	45,947	-
Total	284,268	-	-	10,914	-	46,843	-	342,025	14
2022									
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
Total	248,939	-	-	11,644	-	1,026,702	-	1,287,286	80

¹ Appointed 25 March 2023

² Resigned 25 March 2023

Remuneration Options

During the year ended 30 June 2023, 1,500,000 options were issued as part of director remuneration (30 June 2022: 4,500,000).

During the year ended 30 June 2023 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.

Shareholdings by Directors

2023	Balance 01/07/22 or on appointment (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised	Net Other Change (No. of Shares)	Balance 30/06/23 (No. of Shares)
G Lawler	2,000,000	-	-	-	2,000,000
P Ruse	2,050,340	-	-	-	2,050,340
R Beevor	100,000 ¹	-	-	400,000	500,000
M O'Keeffe	5,150,000	-	-	(5,150,000) ²	-
Total	9,300,340	-	-	(4,750,000)	4,550,340

¹ Appointed 25 March 2023

² Resigned 25 March 2023

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

Options Holdings by Directors

2023	Balance 01/07/22	Granted as Remuneration	No. of Options	No. of Options	Net Change Other	Balance 30/06/23	Balance 30/06/23
	(No. Options)	(No. Options)	Acquired	Exercised	(No. Options)	(No. Options)	(No. Options) (Vested and exercisable)
G Lawler	1,500,000	-	-	-	-	1,500,000	1,500,000
P Ruse	1,500,000	-	-	-	-	1,500,000	1,500,000
R Beevor	-	1,500,000 ¹	-	-	-	1,500,000	500,000
M O'Keeffe	1,500,000	-	-	-	(1,500,000) ²	-	-
Total	4,500,000	1,500,000	-	-	(1,500,000)	4,500,000	3,500,000

¹ Appointed 25 March 2023. Granted on appointment.

² Resigned 25 March 2023

The options issued to R Beevor during the year vest in three tranches:

- 500,000 options on grant;
- 500,000 options after 12 months of service;
- 500,000 options after 24 months of service;

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

	Director
Number of options	1,500,000
Fair value at measurement date (cents)	\$0.067
Dividend yield (%)	Nil
Expected volatility (%)	90%
Risk free rate (%)	2.21%
Expected life of option	3
Share price (cents)	\$0.155
Exercise price (cents)	\$0.30
Model used	Black – Scholes
Value of options	\$100,541

End of remuneration report (audited).

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

Peter Ruse
Executive Director
25 September 2023


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DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF MONT ROYAL RESOURCES LIMITED

As lead auditor of Mont Royal Resources Limited for the year ended 30 June 2023, 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.



Jackson Wheeler
Director

BDO Audit (WA) Pty Ltd

Perth

25 September 2023

MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Interest revenue		26,099	784
Expenses			
Corporate	3	(804,562)	(954,955)
Share-based payments expense	13	(46,843)	(1,083,742)
Foreign exchange gain/(loss)		4,975	(14,246)
Loss before tax		<u>(820,331)</u>	<u>(2,052,159)</u>
Income tax expense	4	-	-
Loss for the year		<u>(820,331)</u>	<u>(2,052,159)</u>
Other comprehensive income			
Exchange difference on translation of foreign controlled entities		64,574	97,380
Total comprehensive loss for the year attributable to the members		<u>(755,755)</u>	<u>(1,954,779)</u>
<i>Loss for the year attributable to:</i>			
Members of the parent entity		(813,876)	(2,052,159)
Non-controlling interests		(6,454)	-
		<u>(820,331)</u>	<u>(2,052,159)</u>
<i>Total comprehensive loss for the year attributable to:</i>			
Members of the parent entity		(756,813)	(1,969,368)
Non-controlling interests		1,058	14,589
		<u>(755,755)</u>	<u>(1,954,779)</u>
Loss per share attributable to the shareholders of the Company arises from:			
Basic and diluted loss per share (cents per share)	18	(1.20)	(3.89)

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 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,259,958	4,386,497
Other receivables	6	1,238,134	711,714
Prepayments		28,431	134,598
TOTAL CURRENT ASSETS		<u>3,526,523</u>	<u>5,232,809</u>
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	8	6,076,557	4,350,267
TOTAL NON-CURRENT ASSETS		<u>6,076,557</u>	<u>4,350,267</u>
TOTAL ASSETS		<u>9,603,080</u>	<u>9,583,076</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	611,894	95,167
Income tax payable		-	62,687
TOTAL CURRENT LIABILITIES		<u>611,894</u>	<u>157,854</u>
TOTAL LIABILITIES		<u>611,894</u>	<u>157,854</u>
NET ASSETS		<u>8,991,186</u>	<u>9,425,222</u>
EQUITY			
Issued capital	10	11,361,378	11,086,502
Reserves	11	2,353,411	2,249,487
Accumulated losses		(5,322,583)	(4,508,689)
Total parent entity interest		8,392,206	8,827,300
Non-controlling interest		598,980	597,922
TOTAL EQUITY		<u>8,991,186</u>	<u>9,425,222</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 2023

Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$	Non-controlling interest \$	Total \$
Consolidated Group						
Balance at 1 July 2022	11,086,502	2,249,487	(4,508,689)	8,827,300	597,922	9,425,222
Loss for the year	-	-	(813,876)	(813,876)	(6,454)	(820,331)
Other comprehensive income	-	57,063	-	57,063	7,512	64,575
Total comprehensive loss for the year	-	57,063	(813,876)	(756,813)	1,058	(755,755)
<i>Equity transactions</i>						
Issue of shares	274,876	-	-	274,876	-	274,876
Share-based payments	-	46,843	-	46,843	-	46,843
Balance at 30 June 2023	11,361,378	2,353,393	(5,322,565)	8,392,206	598,980	8,991,186

Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$	Non-controlling interest \$	Total \$
Consolidated Group						
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
Balance at 30 June 2022	11,086,502	2,249,487	(4,508,689)	8,827,300	597,922	9,425,222

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 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		26,099	784
Payments to suppliers and employees		(701,224)	(977,886)
Net cash used in operating activities	12	<u>(675,125)</u>	<u>(977,102)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Government grants and tax incentives		608,133	-
Payments for exploration and evaluation expenditure		(2,059,547)	(1,973,770)
Net cash used in investing activities		<u>(1,451,414)</u>	<u>(1,973,770)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	5,085,000
Payments for share issue costs		-	(216,250)
Net cash from financing activities		<u>-</u>	<u>4,868,750</u>
Net increase/(decrease) in cash held		(2,126,539)	1,917,878
Cash and cash equivalents at the beginning of the year		4,386,497	2,468,619
Cash and cash equivalents at 30 June	5	<u>2,259,958</u>	<u>4,386,497</u>

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 2023

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 (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 2023 were authorised for issue in accordance with a resolution of the directors on 25 September 2023.

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 2022. 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 2023. 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.

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(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 when the expenditure is incurred.

(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.

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(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.

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(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 subsidiaries incorporated in the Canada (refer Note 7) 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.

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(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.

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3. CORPORATE EXPENSES

	2023	2022
	\$	\$
Corporate expenses consist of:		
- Directors' fees	295,182	260,583
- Compliance expenses	282,225	274,532
- Legal fees	49,746	199,413
- Other	177,409	220,427
Total corporate expenses	<u>804,562</u>	<u>954,955</u>

4. INCOME TAX EXPENSE

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

	2023	2022
	\$	\$
Loss before income tax	(813,781)	(2,052,159)
Income tax	(241,969)	(609,558)
Add back:		
Share based payment	14,053	325,123
Accruals	3,300	1,500
Capital raising costs	(44,300)	(44,300)
Other	4,559	-
Adjustments in respect of income tax of previous year	42,801	3,879
Capitalised exploration immediately deductible	-	(172,123)
Future income tax benefit not brought to account	221,556	495,479
Income tax expense	<u>-</u>	<u>-</u>

	2023	2022
	\$	\$
Deferred tax assets:		
Capital raising costs	38,925	83,225
Accruals	11,700	8,400
Capitalised exploration costs	90,441	-
Carry forward tax losses	1,219,614	1,222,401
	<u>1,360,680</u>	<u>1,314,026</u>

Deferred tax liabilities:		
Capitalised exploration costs	-	(286,762)
	<u>-</u>	<u>(286,762)</u>

Net deferred tax asset position not brought to account	(1,360,680)	(1,027,264)
Total	<u>-</u>	<u>-</u>

5. CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank and on hand	<u>2,259,958</u>	<u>4,386,497</u>

6. OTHER RECEIVABLES

	2023	2022
	\$	\$
Tax credit and mining rights receivable	1,017,657	614,031
GST/QST receivable	210,290	96,445
Other	1,238	1,238
Total	<u>1,229,185</u>	<u>711,714</u>

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

7. INVESTMENT IN SUBSIDIARIES

Interests are held in the following subsidiary companies:

Name	Principal Activity	Country of Incorporation	Ownership Interest 2023	Ownership Interest 2022
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 ¹	Mineral Exploration	Canada	100%	100%
Northern Lights Minerals Pty Ltd ²	Mineral Exploration	Canada	75%	75%
1256137 BC Ltd ²	Mineral Exploration	Canada	75%	75%

¹ Incorporated 17 August 2021

² Acquired 1 December 2021

8. EXPLORATION AND EVALUATION EXPENDITURE

	2023 \$	2022 \$
Balance at the beginning of the year	4,350,267	461,861
Exploration and evaluation expenditure incurred during the year	2,600,241	1,991,601
Canadian exploration tax credit offset during the year	(1,065,745)	(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	191,794	162,914
Balance at the end of the year	<u>6,076,557</u>	<u>4,350,267</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

	2023 \$	2022 \$
Current		
Trade payables and accruals	<u>404,351</u>	<u>95,167</u>

10. ISSUED CAPITAL

(a) Issued Capital

	2023 \$	2022 \$
68,482,668 (2022: 67,035,951) fully paid ordinary shares	<u>11,361,378</u>	<u>11,086,502</u>

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

Date	Details	No. of Shares	\$
01/07/2021	Balance at beginning of period	37,876,715	5,263,448
25/11/2021	Placement	20,000,000	4,000,000
	Cost of capital raising	-	(1,176,582)
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	Balance at end of period	<u>67,035,951</u>	<u>11,086,502</u>
01/07/2022	Balance at beginning of period	67,035,951	11,086,502
01/12/2022	Acquisition instalment payment for Focus Graphite	1,446,717	274,876
30/06/2023	Balance at end of period	<u>68,482,668</u>	<u>11,361,378</u>

(c) Capital risk management

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

No dividends will be paid in 2023 (2022: 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

	2023 \$	2022 \$
Share based payments reserve	<u>2,206,570</u>	<u>2,159,727</u>

(b) Foreign currency translation reserve

	2023 \$	2022 \$
Foreign currency translation reserve	<u>146,841</u>	<u>89,760</u>

(c) Movement in options

Date	Details	No. of Unlisted Options	Fair Value of Options Granted	Exercise Price	Expiry Date
01/07/2021	Opening balance	<u>4,000,000</u>			
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	<u>(300,000)</u>			
30/06/2022	Closing balance	<u>9,750,000</u>			
25/03/2023	Director	1,500,000	\$0.067	\$0.30	25/03/2026
30/06/2023		<u>11,250,000</u>			

(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 2023

12. NOTES TO STATEMENT OF CASH FLOWS

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

	2023	2022
	\$	\$
Loss for the year	(820,331)	(2,052,159)
Share based payment expense	46,843	1,083,742
Movement in assets and liabilities:		
(Increase)/Decrease in other receivables	(113,845)	(2,568)
(Increase)/Decrease in other assets	106,167	(116,628)
Increase/(Decrease) in trade and other payables	168,729	47,826
Increase/(Decrease) in tax payable	(62,689)	62,685
Net cash used in operating activities	<u>(675,125)</u>	<u>(977,102)</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 2023 and 30 June 2022.

13. SHARE BASED PAYMENTS

(a) Options

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

	Weighted average exercise price 2023	Number of Options 2023	Weighted average exercise price 2022	Number of Options 2022
Outstanding at 1 July	\$0.35	9,750,000	\$0.30	4,000,000
Granted during the period	\$0.30	1,500,000	\$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>\$0.34</u>	<u>11,250,000</u>	<u>\$0.35</u>	<u>9,750,000</u>
Exercisable at 30 June	<u>\$0.34</u>	<u>10,250,000</u>	<u>\$0.35</u>	<u>9,750,000</u>

The options outstanding at 30 June 2023 have a weighted average exercise price of \$0.34 and a weighted average remaining contractual life of 1.6 years.

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

	Director
Number of options	1,500,000
Fair value at measurement date (cents)	\$0.067
Dividend yield (%)	Nil
Expected volatility (%)	90%
Risk free rate (%)	2.21%
Expected life of option	3
Share price (cents)	\$0.155
Exercise price (cents)	\$0.30
Model used	Black – Scholes
Value of options	\$100,541
Amount expensed during year	\$46,843

The options issued to R Beevor during the year vest in three tranches:

- 500,000 options on grant;
- 500,000 options after 12 months of service;
- 500,000 options after 24 months of service;

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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
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FOR THE YEAR ENDED 30 JUNE 2023

(b) Shares

On 1 December 2022 the Company issued 1,446,717 (1/12/2021: 459,236) fully paid ordinary shares with a fair value of \$274,876 (C\$250,000) (1/12/2021: \$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 2023 there were no contingent liabilities or contingent assets.

(a) Exploration commitments

At 30 June 2023, the Group has the following commitments relating to exploration expenditure incurred in prospecting the licensed area of the group's tenements.

	2023	2022
	\$	\$
Within one year	-	53,761
After one year but not more than five years	453,290	50,722
Longer than five years	-	-
	453,290	104,483

(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:

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

¹ These amounts have been incurred as at 30 June 2023.

(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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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
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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\$1,500,000 of which Northern Lights and the Company have already paid C\$500,000 and C\$1,000,000 respectively:

- 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 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 25 March 2023, the Company issued 1,500,000 options exercisable at \$0.30 each expiring 25 March 2026 to a director (refer Note 13(a)) (30 June 2022: 4,500,000 options exercisable at \$0.35 each expiring 29 October 2024 to directors).

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:

	Consolidated 2023	Consolidated 2022
	\$	\$
Short term employee benefits	295,182	260,583
Share-based payments	46,843	1,026,703
Aggregate compensation	342,025	1,287,286

17. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consistent 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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MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
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FOR THE YEAR ENDED 30 JUNE 2023

(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.

2023	Non Interest Bearing \$	Floating Interest Rate \$	Total \$	Weighted Average Effective Interest Rate %
Financial Assets				
- Cash and cash equivalents	461,545	1,798,413	2,259,958	1.45
Total Financial Assets	461,545	1,798,413	2,259,958	1.45
Financial Liabilities				
- Trade creditors	(363,462)	-	(363,462)	-
Total Financial Liabilities	(363,462)	-	(363,462)	-
Net Financial Assets / (Liabilities)	98,082	1,798,413	1,896,495	1.45
2022				
Financial Assets				
- Cash and cash equivalents	16,248	4,370,249	4,386,497	0.02
Total Financial Assets	16,248	4,370,249	4,386,497	0.02
Financial Liabilities				
- Trade creditors	(63,913)	-	(63,913)	-
Total Financial Liabilities	(63,913)	-	(63,913)	-
Net Financial Assets / (Liabilities)	(47,665)	4,370,249	4,322,584	0.02

Interest rate sensitivity

At 30 June 2023, 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 \$2,610 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% increase sensitivity would move short term interest rates at 30 June 2023 from around 4.1% to 4.6% (10% decrease: 3.7%) representing a 40 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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FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Contracted maturities of liabilities at 30 June		
Payables		
- less than 30 days	363,462	63,913

(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

	2023	2022
	\$	\$
Basic and diluted loss per share (cents)	(1.20)	(3.89)
Loss used in calculating basic and diluted loss per share	(813,876)	(2,052,159)
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	67,876,236	52,796,326

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.

	2023	2022
	\$	\$
Amounts paid or payable to BDO Audit (WA) Pty Ltd and related network firms for:		
Audit services	55,282	42,295
Non-audit services (BDO Canada LLP)	61,135	16,915

21. EVENTS AFTER THE REPORTING PERIOD

On 15 August 2023, the Company completed a capital raising of \$2.209 million (before costs) by the issue of 13,812,267 ordinary shares at \$0.16 each. Under the terms of the lead broker mandate, the Company agreed to issue 3,000,000 options exercisable at \$0.35 expiring 3 years from date of issue to the lead manager, subject to shareholder approval.

No other matter or circumstance has arisen since 30 June 2023 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
FOR THE YEAR ENDED 30 JUNE 2023

22. INFORMATION RELATING TO MONT ROYAL RESOURCES LIMITED (PARENT)

	2023	2022
	\$	\$
Current assets	1,847,131	4,417,473
Total assets	8,415,929	8,812,512
Current liabilities	69,959	46,287
Total liabilities	69,959	46,287
Issued capital	11,361,378	11,086,502
Reserves	2,206,570	2,159,727
Accumulated losses	(5,221,978)	(4,480,004)
Loss of the parent entity	(741,974)	(2,023,354)
Total comprehensive loss of the parent entity	(741,974)	(2,023,354)

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
	1,750,000
<i>Fair value of net identifiable assets acquired</i>	
Exploration and evaluation expenditure	2,333,333
Non-controlling interest share	(583,333)
	1,750,000

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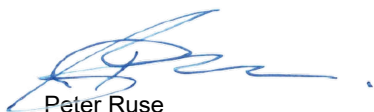
**MONT ROYAL RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES**

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 2023 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 2023 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 2023.

On behalf of the Board



Peter Ruse
Executive Director
25 September 2023

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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 2023, 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 2023 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.

Carrying Value of Exploration and Evaluation Assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<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 <i>Exploration for and Evaluation of Mineral Resources</i> ('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"> • Assessing whether rights to tenure of the Group's area of interest remained current at balance date; • Verifying, a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria Of AASB 6; • 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; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 2(j), 2(s) and 8 to the Financial Report.

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 2023, 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

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 9 to 11 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Mont Royal Resources Limited, for the year ended 30 June 2023, 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

Jackson Wheeler
Director

Perth

25 September 2023

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

QUOTED SECURITIES

ORDINARY FULLY PAID SHARES

(i) DISTRIBUTION OF SHAREHOLDERS AS AT 20 SEPTEMBER 2023:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 – 1,000	23	2,375	0.00%
1,001 - 5,000	106	335,180	0.41%
5,001 - 10,000	79	667,502	0.81%
10,001 - 100,000	202	9,019,729	10.96%
100,001+	140	72,270,149	87.82%
	<u>550</u>	<u>82,294,935</u>	<u>100.00%</u>

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 CITICORP NOMINEES PTY LIMITED	7,910,726	9.61%
2 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,744,328	4.55%
3 PROSPECT AG TRADING PTY LTD <O'KEEFFE FAMILY A/C>	2,650,000	3.22%
4 UBS NOMINEES PTY LTD	2,196,537	2.67%
5 MR MICHAEL O'KEEFFE	2,000,000	2.43%
6 JINDABYNE CAPITAL PTY LTD <PROVIDENCE EQUITY A/C>	1,631,250	1.98%
7 BLUE CRYSTAL PTY LTD <JULIAN FAMILY A/C>	1,500,000	1.82%
8 SML CONTRACTING PTY LTD	1,400,000	1.70%
9 HIGH PEAKS CAPITAL PTY LTD	1,350,240	1.64%
10 BASS FAMILY FOUNDATION PTY LTD <BASS FAMILY FOUNDATION A/C>	1,300,000	1.58%
11 MR BRIAN PETER BYASS	1,250,000	1.52%
12 EASTBOURNE DP PTY LTD <O'KEEFFE SUPERANNUATION A/C>	1,206,249	1.47%
13 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,187,322	1.44%
14 BLUE ATLAS PTY LTD <ROWE INVESTMENT A/C>	1,093,750	1.33%
15 FLUE HOLDINGS PTY LTD<BROMLEY SUPERANNUATION A/C>	1,000,000	1.22%
15 PARCENT HOLDINGS PTY LTD <G K LAWLER SUPER FUND A/C>	1,000,000	1.22%
15 LENAHAN NOMINEES PTY LTD <LENAHAN FAMILY A/C>	1,000,000	1.22%
15 MR GARY KENNETH LAWLER	1,000,000	1.22%
15 METECH SUPER PTY LTD <METECH NO 2 SUPER FUND A/C>	1,000,000	1.22%
15 METECH SUPER PTY LTD <METECH NO2 SUPER A/C>	1,000,000	1.22%
16 BLUE CRYSTAL PTY LTD <THE JULIAN FAMILY A/C>	975,493	1.19%
17 JINDABYNE CAPITAL PTY LTD <PROVIDENCE EQUITY A/C>	950,000	1.15%
18 CIRCE POINT INVESTMENTS PTY LTD	872,672	1.06%
19 MR CHRISTOPHER VINCENT MAY <DJM A/C>	850,000	1.03%
19 QUARTZ MOUNTAIN MINING PTY LTD <BASS FAMILY A/C>	850,000	1.03%
20 MR ANDREW GRANTON BROWN	800,000	0.97%
Total	41,718,567	50.69%

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**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	5,856,249	7.12%
VISON PTY LTD <PHILIP GARRATT FAMILY TRUST>	5,296,282	6.44%
	11,152,531	13.55%

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
Options exercisable at \$0.30 expiring 25 March 2026	1,500,000

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 2023:

Project	Location	Tenement
Northern Lights	Canada	2556880 – 2557189 2558307 – 2558325 2565968 – 2565987 2538870 – 2538914 2543213 – 2543214 2543450
Eastmain-Leran (North) Staked Claims	Quebec, Canada	2691258 - 2691272

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

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 (4th edition) published by the ASX Corporate Governance Council.

The 2023 corporate governance statement was approved by the Board on 25 September 2023 and is current as at 25 September 2023. 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/.

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