



MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ACN: 625 237 658

**Financial Report
For the Half Year Ended
31 December 2021**

MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN: 50 145 842 995

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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 half year ended 31 December 2021.

Directors

The names, qualifications and experience of the directors in office at any time during, or since the end of, the period are as follows. Directors have been in office for the entire period unless otherwise stated.

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

Principal Activities

The principal activity of the consolidated group during the period was the farm-in and exploration of the Wapatik Gold-Copper Project in Quebec, Canada and the acquisition of a 75% interest in Northern Lights Minerals Pty Ltd which holds a significant land package in the Upper Eastmain Greenstone Belt in Quebec, Canada.

Review of Operations

The consolidated loss of the consolidated group for the financial period after providing for income tax amounted to \$1,583,883 (2020: \$403,971).

Northern Lights Minerals Acquisition

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

The Acquisition Assets are situated the Upper Eastmain Greenstone belt, located 300km NNE of the town of Chibougamau and 56 km south of Renard Diamond mine. The territory which encompasses the Acquisition Assets is covered by Société du Plan Nord ("SPN"), a government initiative focused on the funding and implementation of integrated and sustainable development of the area. The properties benefit from year-round access via the Route 167 highway, and the approximate distance between the MRZ's Wapatik Project and the collection of Acquisition Assets is 350km to the North-east.

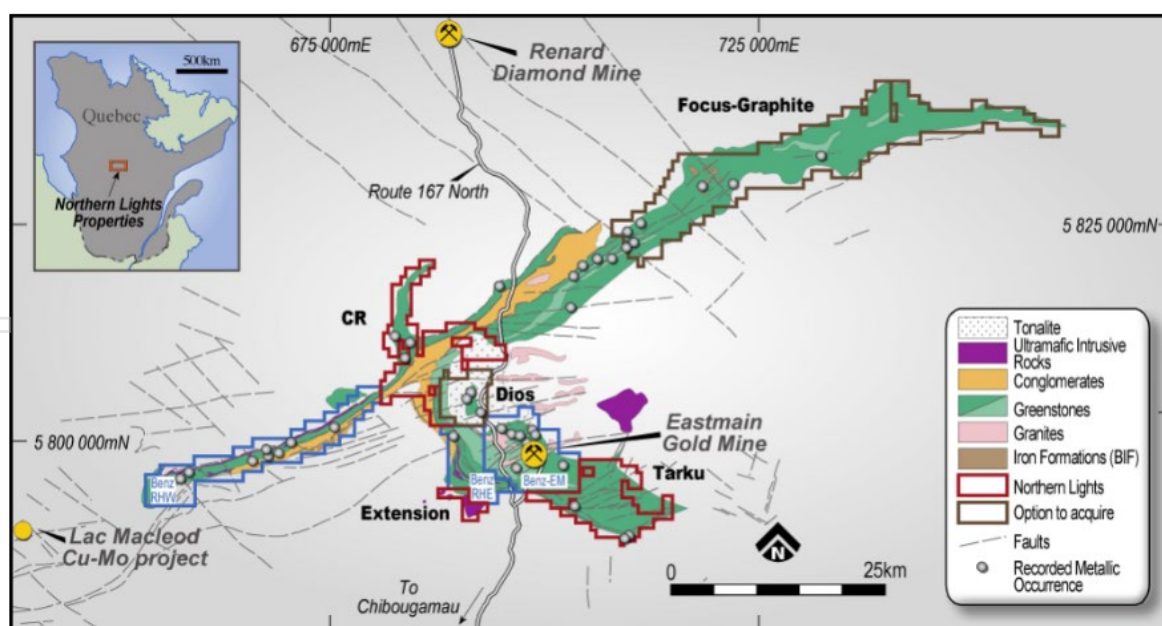


Fig. 1: The upper Eastmain Greenstone Belt with Northern Lights Tenure.
Coordinates system on the maps is NAD83 UTM zone 18

Wapatik Project

During the period, the Company completed an initial prospecting program on the Wapatik Project ("Wapatik"), located along the same Archean greenstone belt hosting the Elmer gold discovery (100% Azimut) in the James Bay region of Quebec. The program resulted in the discovery of a previously unrecognised kilometre-scale ultramafic intrusion with associated copper and nickel sulphide mineralisation.

MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

The ultramafic intrusion, which is approximately 1,000 metres by 400 metres, is bounded by volcano-sedimentary rocks of the Lower Eastmain greenstone belt, specifically iron formations and pyrite-rich metasediments and mafic volcanics. This lithological context is considered as highly favourable for massive to semi-massive nickel-copper sulphide mineralisation, and often positioned along the basal contact of an intrusive body.

Significant Changes in the State of Affairs

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

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

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

Other than as stated above, there were no significant changes in the consolidated group's state of affairs occurred during the financial period.

Events Subsequent to the End of the Reporting Period

On 28 January 2022, the Company issued 5,000,000 ordinary fully paid shares to the vendors of Northern Lights Minerals Pty Ltd as consideration for the acquisition.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial periods.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within this financial report.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



Peter Ruse
Executive Director
9 March 2022

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

As lead auditor for the review of Mont Royal Resources Limited for the half-year ended 31 December 2021, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'J Prue', is written over a light grey circular watermark.

Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 9 March 2022

MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 \$	31 December 2020 \$
Interest income		576	6,499
Corporate		(500,717)	(407,611)
Share-based payments expense	7	(1,083,742)	-
Exploration expensed		-	(2,859)
Loss before tax		(1,583,883)	(403,971)
Income tax expense		-	-
Loss for the period		(1,583,883)	(403,971)
Other comprehensive loss		(52,278)	-
Total comprehensive loss for the period attributable to the members		(1,636,161)	(403,971)
<i>Loss for the period attributable to:</i>			
Members of the parent entity		(1,583,883)	(403,971)
Non-controlling interests		-	-
		(1,583,883)	(403,971)
<i>Total comprehensive loss for the period attributable to:</i>			
Members of the parent entity		(1,625,699)	(403,971)
Non-controlling interests		(10,462)	-
		(1,636,161)	(403,971)
Basic and diluted loss per share (cents per share)	2	Cents (3.77)	Cents (1.07)

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 31 DECEMBER 2021

	Note	31 December 2021 \$	30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	5,174,915	2,468,619
Trade and other receivables		33,394	7,457
Prepayments		4,412	17,970
TOTAL CURRENT ASSETS		<u>5,212,721</u>	<u>2,494,046</u>
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	4	3,506,001	461,861
TOTAL NON-CURRENT ASSETS		<u>3,506,001</u>	<u>461,861</u>
TOTAL ASSETS		<u>8,718,722</u>	<u>2,955,907</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		59,882	26,367
TOTAL CURRENT LIABILITIES		<u>59,882</u>	<u>26,367</u>
TOTAL LIABILITIES		<u>59,882</u>	<u>26,367</u>
NET ASSETS		<u>8,658,840</u>	<u>2,929,540</u>
EQUITY			
Issued capital	5	10,001,502	5,263,448
Reserves	6	2,124,880	122,622
Accumulated losses		(4,040,413)	(2,456,530)
Total parent entity interest		8,085,969	2,929,540
Non-controlling interest	11	572,871	-
TOTAL EQUITY		<u>8,658,840</u>	<u>2,929,540</u>

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

MONT ROYAL RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	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 period		-	-	(1,583,883)	(1,583,883)	-	(1,583,883)
Other comprehensive income		-	(41,816)	-	(41,816)	(10,462)	(52,278)
Total comprehensive loss for the period		-	(41,816)	(1,583,883)	(1,625,699)	(10,462)	(1,636,161)
<i>Equity transactions:</i>							
Placement	5	5,914,636	-	-	5,914,636	-	5,914,636
Capital raising costs	5	(1,176,582)	960,332	-	(216,250)	-	(216,250)
Share-based payments	7	-	1,083,742	-	1,083,742	-	1,083,742
Non-controlling interest recognised on current period acquisition	11	-	-	-	-	583,333	583,333
Balance at 31 December 2021		10,001,502	2,124,880	(4,040,413)	8,085,969	572,871	8,658,540
		Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$		
Consolidated Group							
Balance at 1 July 2020		5,208,448	115,653	(1,755,116)	3,568,985		
Loss for the period		-	-	(403,971)	(403,971)		
Total comprehensive loss for the period		-	-	(403,971)	(403,971)		
Balance at 31 December 2020		5,208,448	115,653	(2,159,087)	3,165,014		

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 HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021	31 December 2020
	\$	\$
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	576	6,499
Payments to suppliers and employees	(521,397)	(360,348)
Payments for exploration and evaluation expenditure (expensed)	-	(24,254)
Net cash used in operating activities	<u>(520,821)</u>	<u>(378,103)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure (capitalised)	<u>(556,633)</u>	<u>(314,828)</u>
Net cash used in investing activities	<u>(556,633)</u>	<u>(314,828)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	4,000,000	-
Payments for share issue costs	<u>(216,250)</u>	<u>-</u>
Net cash from financing activities	<u>3,783,750</u>	<u>-</u>
Net increase/(decrease) in cash held	2,706,296	(692,931)
Cash and cash equivalents at the beginning of the period	<u>2,468,619</u>	<u>3,617,919</u>
Cash and cash equivalents at the end of the period	3 <u>5,174,915</u>	<u>2,924,988</u>

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

**MONT ROYAL RESOURCES LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The interim consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial report and notes also comply with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

It is recommended that this consolidated interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Mont Royal Resources Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The interim consolidated financial report does not include full disclosures of the type normally included in annual financial reports.

The interim consolidated financial report has been prepared on an accruals basis and is based on historical costs, cost is based on the fair value of the consideration given in exchange for assets.

(b) Statement of compliance

The interim financial statements were authorised for issue on 9 March 2022.

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

(c) New accounting standards and interpretations

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards and Interpretations applicable to 31 December 2021

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ended 31 December 2021. 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.

(d) 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.

(e) Principles of Consolidation – Non-Controlling Interests

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.

**MONT ROYAL RESOURCES LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

2. LOSS PER SHARE

The following reflects the income and data used in the calculations of basic and diluted earnings/(loss) per share:

	2021	2020
	\$	\$
Loss per share (cents)	(3.77)	(1.07)
Loss used in calculating basic and diluted loss per share	1,583,883	403,971
	# shares	# shares
Weighted average number of ordinary shares used in calculating basic loss per share:	41,998,225	37,690,275

3. CASH AND CASH EQUIVALENTS

	31 December 2021	30 June 2021
	\$	\$
Cash at bank and on hand	5,174,915	2,468,619

4. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2021	30 June 2021
	\$	\$
Balance at the beginning of the period	461,861	-
Exploration and evaluation expenditure incurred during the period	752,651	461,861
Acquisition of Northern Lights Minerals Pty Ltd (Note 11)	1,750,000	-
Non-controlling interest in Northern Lights Minerals Pty Ltd	572,871	-
Foreign currency translation movement	(31,382)	-
Balance at the end of the period	3,506,001	461,861

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.

5. ISSUED CAPITAL

(a) Issued Capital

	31 December 2021	30 June 2021
	\$	\$
Fully paid ordinary shares	10,001,502	5,263,448

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5. ISSUED CAPITAL (continued)

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

Date	Details	No. of shares	\$
1/7/2021	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) ²
1/12/2021	Acquisition instalment payment for Focus Graphite (Note 7(b))	459,236	164,636
1/12/2021	Acquisition of Northern Lights Minerals Pty Ltd (Note 11)	- ¹	1,750,000
31/12/2021	Balance at end of period	58,335,951	10,001,502

¹ As at the date of acquisition, the shareholder of Northern Lights had not nominated the parties to whom the consideration shares were to be issued. Pursuant to a Letter Deed, completion occurred on the basis that the consideration shares would be issued at a later date. On 28 January 2022, the Company issued 5,000,000 ordinary fully paid shares to the vendors of Northern Lights Minerals Pty Ltd as consideration for the acquisition (refer Note 11).

² Amount includes broker options issued (refer Note 7(a)).

6. RESERVES

(a) Share based payments and foreign currency translation reserve

	31 December 2021 \$	30 June 2021 \$
Share based payments reserve	2,159,727	115,653
Foreign currency translation reserve	(34,847)	6,969

(b) Movement in options

Date	Details	No. of Unlisted Options	Fair Value of Options Granted	Exercise Price	Expiry Date
01/07/2021	Opening balance	4,000,000			
29/10/2021	Director and management	4,750,000	\$0.228	\$0.35	29/10/2024
25/11/2021	Corporate advisor	5,000,000	\$0.192	\$0.35	25/11/2024
31/12/2021	Closing balance	13,750,000			

(c) 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.

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7. SHARE BASED PAYMENTS

(a) Options

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

	Weighted average exercise price 2021	Number of Options 2021	Weighted average exercise price 2020	Number of Options 2020
Outstanding at 1 July	\$0.30	4,000,000	\$0.30	4,000,000
Granted during the period	\$0.35	9,750,000	-	-
Outstanding at 31 December	\$0.34	13,750,000	\$0.30	4,000,000
Exercisable at 31 December	\$0.34	13,750,000	\$0.30	4,000,000

The options outstanding at 31 December 2021 have an exercise price of between \$0.25 and \$0.35 and a weighted average remaining contractual life of 2.8 years.

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

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

(b) Shares

On 1 December 2021 the Company issued 459,236 fully paid ordinary shares with a fair value of \$164,636 (C\$150,000) as part consideration towards the C\$500,000 second instalment payment for the Focus Assets, with the balance paid in cash (Refer note 8(c)).

8. CONTINGENT LIABILITIES, LEASE COMMITMENTS AND CONTINGENT ASSETS

As at 31 December 2021 there were no contingent liabilities or contingent assets.

(a) Exploration commitments

At 31 December 2021, the Group has the following commitments relating to exploration expenditure incurred in prospecting the licensed area of the group's tenements.

	2021 \$	2020 \$
Within one year	-	45,000
After one year but not more than five years	-	45,000
Longer than five years	-	-
	-	90,000

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

8. CONTINGENT LIABILITIES, LEASE COMMITMENTS AND CONTINGENT ASSETS (continued)

(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	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 31 December 2021.

(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").

Focus Agreement

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

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

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

Dios Agreement

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

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

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

**MONT ROYAL RESOURCES LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

9. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consistent mainly of deposits with banks, short-term investments and payables.

The carrying amounts of the current receivables, current payables and other liabilities are considered to be a reasonable approximation of their fair value.

10. INVESTMENT IN SUBSIDIARY

Interests are held in the following subsidiary companies:

Name	Principal Activity	Country of Incorporation	Ownership Interest	
			31 December 2021	30 June 2021
Mont Royal Exploration Australia Pty Ltd	Mineral Exploration	Australia	100%	100%
Mont Royal Resources Canada Inc	Mineral Exploration	Canada	100%	100%
Mont Royal Resources Quebec Inc ¹	Mineral Exploration	Canada	100%	-
Northern Lights Minerals Pty Ltd ²	Mineral Exploration	Australia	75%	-

¹ Incorporated 17 August 2021

² Acquired 1 December 2021

11. ACQUISITION OF NORTHERN LIGHTS MINERALS PTY LTD

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

Consideration

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

Accounting standard applied

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

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

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

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

**MONT ROYAL RESOURCES LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

12. EVENTS AFTER THE REPORTING PERIOD

On 28 January 2022, the Company issued 5,000,000 ordinary fully paid shares to the vendors of Northern Lights Minerals Pty Ltd as consideration for the acquisition.

Other than as stated above, there have been no events subsequent to the financial period end that will affect the results as disclosed in this report.

13. RELATED PARTY TRANSACTIONS

On 29 October 2021, the Company issued 4,750,000 options exercisable at \$0.35 each expiring 29 October 2024 to directors and management (refer Note 7(a)).

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

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Mont Royal Resources Limited, the directors of the Company declare that:

1. In the opinion of the directors:

- (a) the interim financial statements and notes of the Consolidated Group 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 31 December 2021 and of their performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements;
- (b) there are reasonable grounds to believe that the Company and the consolidated group 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 in accordance with Section 303(5) of the Corporations Act 2001 for the half-year ended 31 December 2021.

Signed in accordance with a resolution of the board of directors



Peter Ruse
Executive Director
9 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mont Royal Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mont Royal Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

The block contains a handwritten signature in dark ink. The signature appears to read 'J Prue' in a cursive, stylized script.

Jarrad Prue

Director

Perth, 9 March 2022