

Stock Commentary

Subject Company: Mont Royal Resources Limited (ASX:MRZ)

Wapatik Maiden Drilling Off to a Great Start as Drilling Intersects Nickel-Copper Sulphides

One we will be watching closely

Background

Mont Royal Resources Limited (ASX:MRZ) announced on 30th June 2022 that the Company's managing Joint venture partner Azimut Exploration Inc. (TSX-V:AZM) has reported intersecting significant nickel-copper sulphides during a maiden 1,000m drilling program at the Wapatik Gold-Copper Project located in the James Bay area of Quebec, Canada.

Assays for the intersection (Hole # WAP22-003), which consists of predominantly semi-massive sulphide mineralisation containing pentlandite, chalcopyrite and pyrrhotite, believed to be situated at the interface between an overlying ultramafic intrusion and underlying foliated metasediments include:

- **3.3m grading 2.68% Ni, 1.30% Cu & 0.09% Co from 143.4m** including;
 - 1.0m grading 3.63% Ni, 0.48% Cu and 0.12% Co (undisclosed depth) and
 - 1.1m grading 3.04% Ni, 0.75% Cu and 0.10% Co (undisclosed depth)

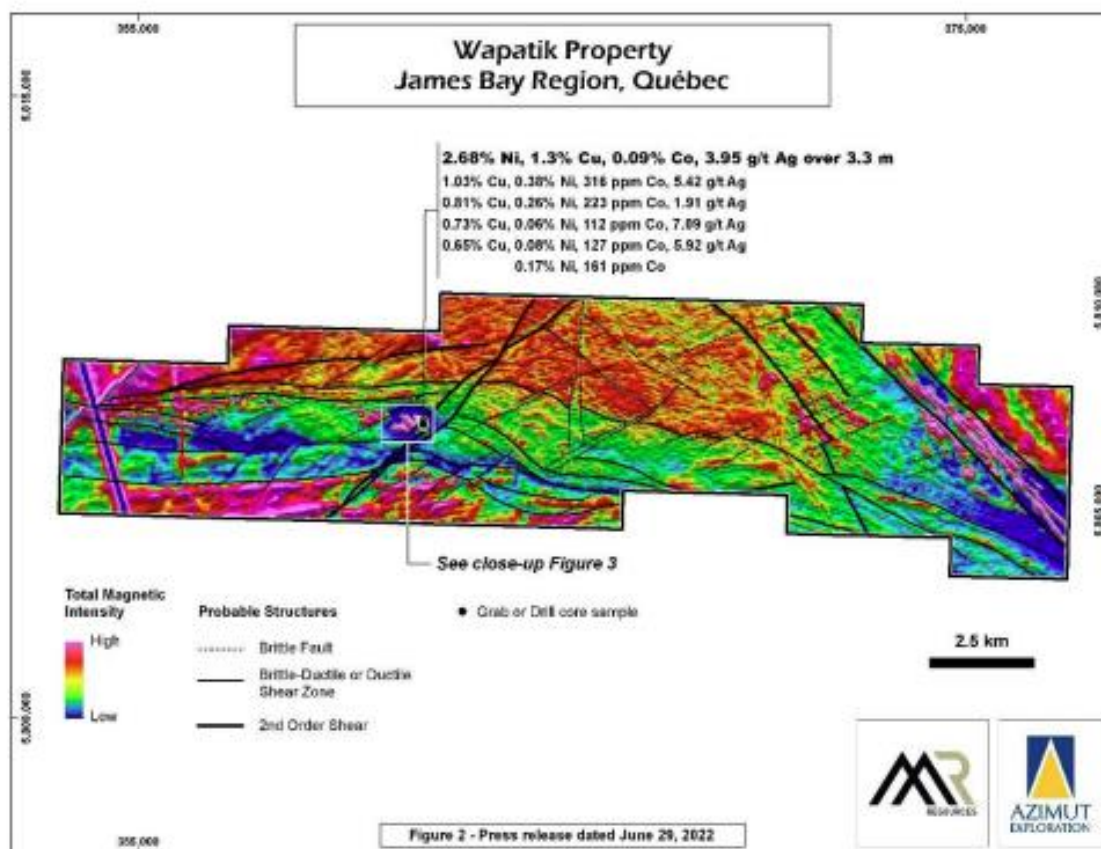
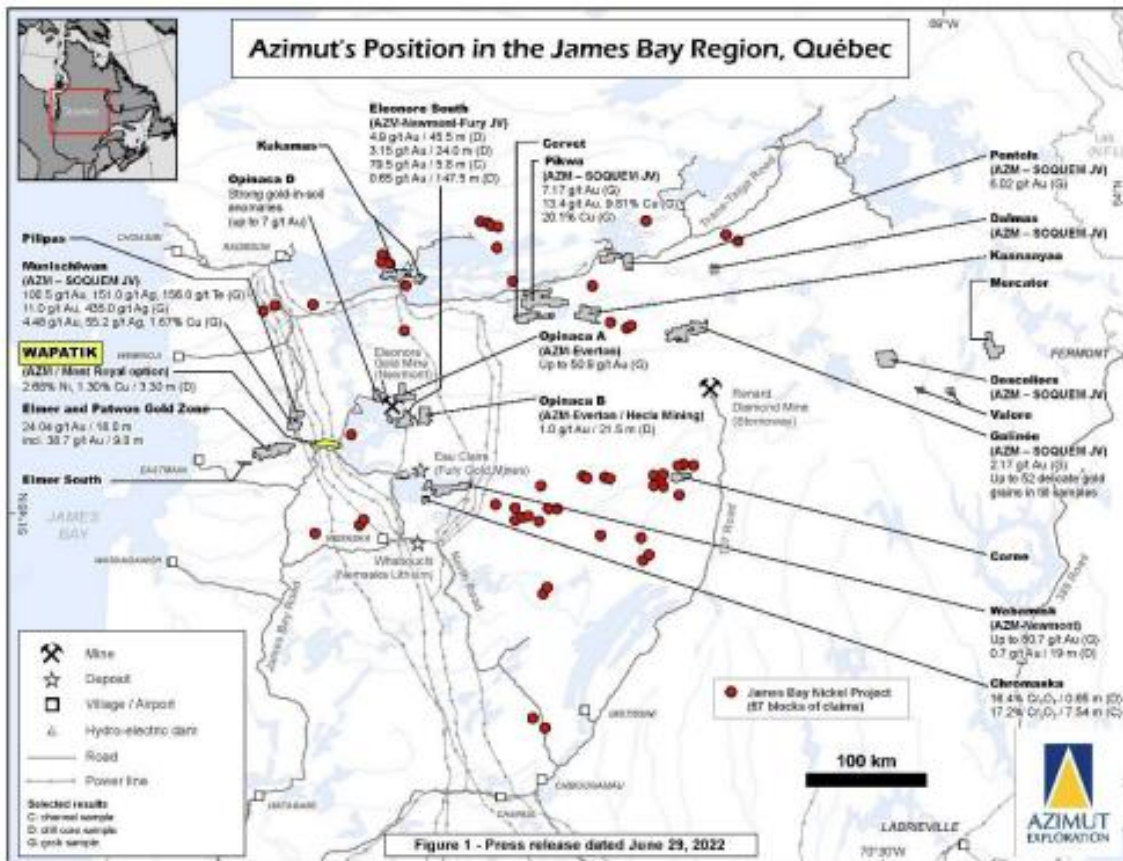
The drilling program was designed to target conductors identified by a recent electromagnetic (SQUID) ground survey.

Following this initial exploration success, the JV partners have immediately moved to Phase 2 follow up drilling.

MRZ has a binding JV option agreement with Azimut to earn up to 70% of the Wapatik Gold-Copper Project which along with gold and copper is also considered prospective for nickel.

Key Takeaways from This Announcement

1. We are significantly encouraged with this initial exploration success. Whilst it is early days in the drilling and naturally, we are cautious *not to jump the gun*, we do however have confidence to say that at this time, this is certainly a commendable *'technical discovery'* which warrants immediate additional follow up drilling.
2. We are delighted to read that the JV partners have immediately triggered a Phase 2 drilling program which we understand is already underway. What is apparent about this style of mineralisation is it is highly visible in core when intersected so the JV partners will have a good indication of exploration success even prior to submitting samples to the laboratory for analysis.
3. Acknowledging both data and interpretation is currently limited we understand that the JV partners appear confident that "this interval indicates the potential for sulphide accumulation at the bottom of the intrusion with a basin shaped geometry". The big test now is to see if it can be repeated i.e. if subsequent drilling can extend out this sulphide intersection along strike. As we observe and interpret from currently available geophysical information, we believe that there is significant potential for this to occur and as such we will be watching MRZ very closely to see if those additional repeats are intersected.
4. Finally, we note that MRZ is currently in a strong financial position to fund all currently planned drilling activities at Wapatik for the foreseeable future without the need for any capital raising. The Company currently has circa \$5m in the bank at this time of writing, which, we importantly note, is due in part to a recent May 2022 options conversion which saw key directors convert some of their option holdings to MRZ shares.



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